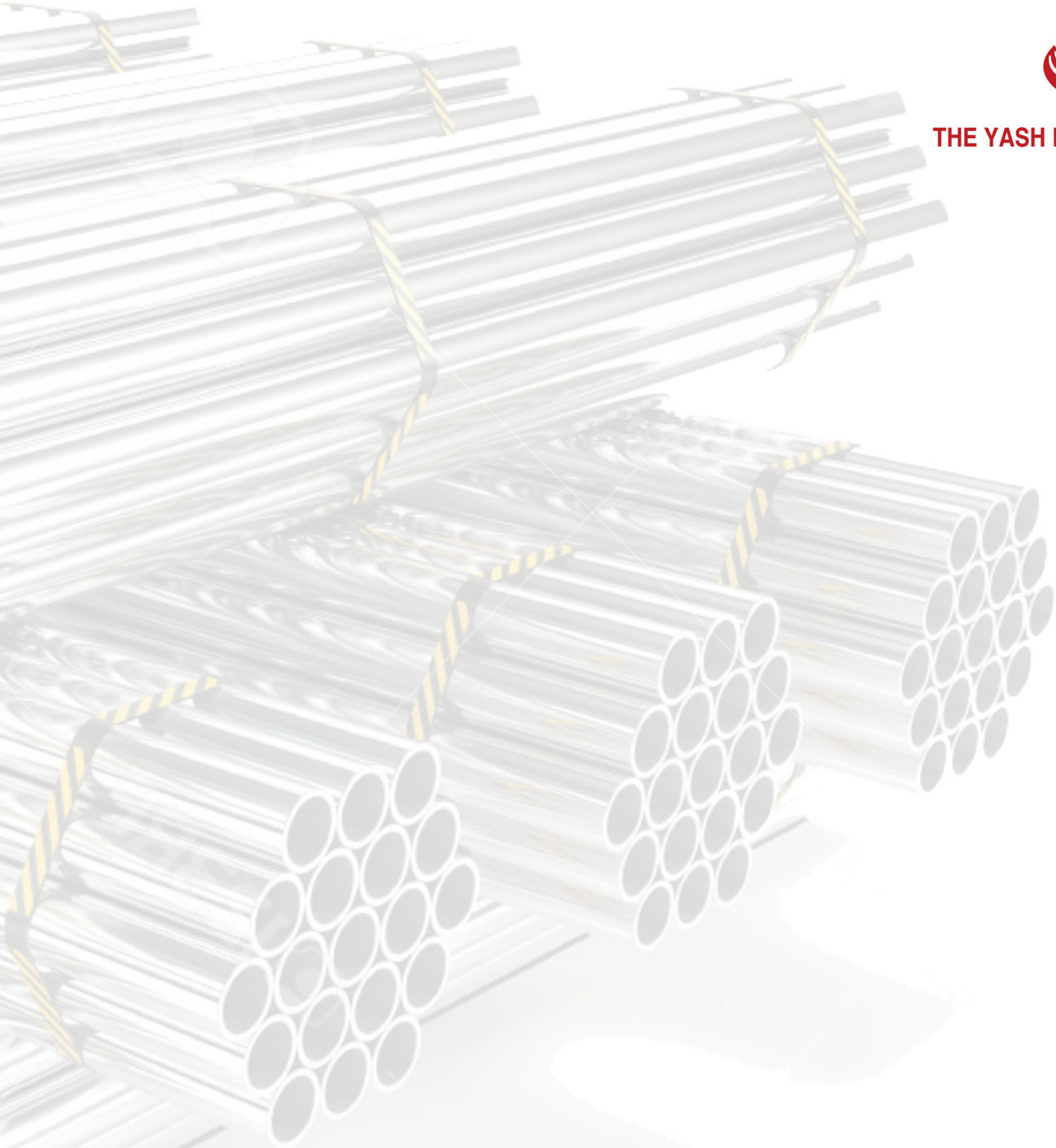


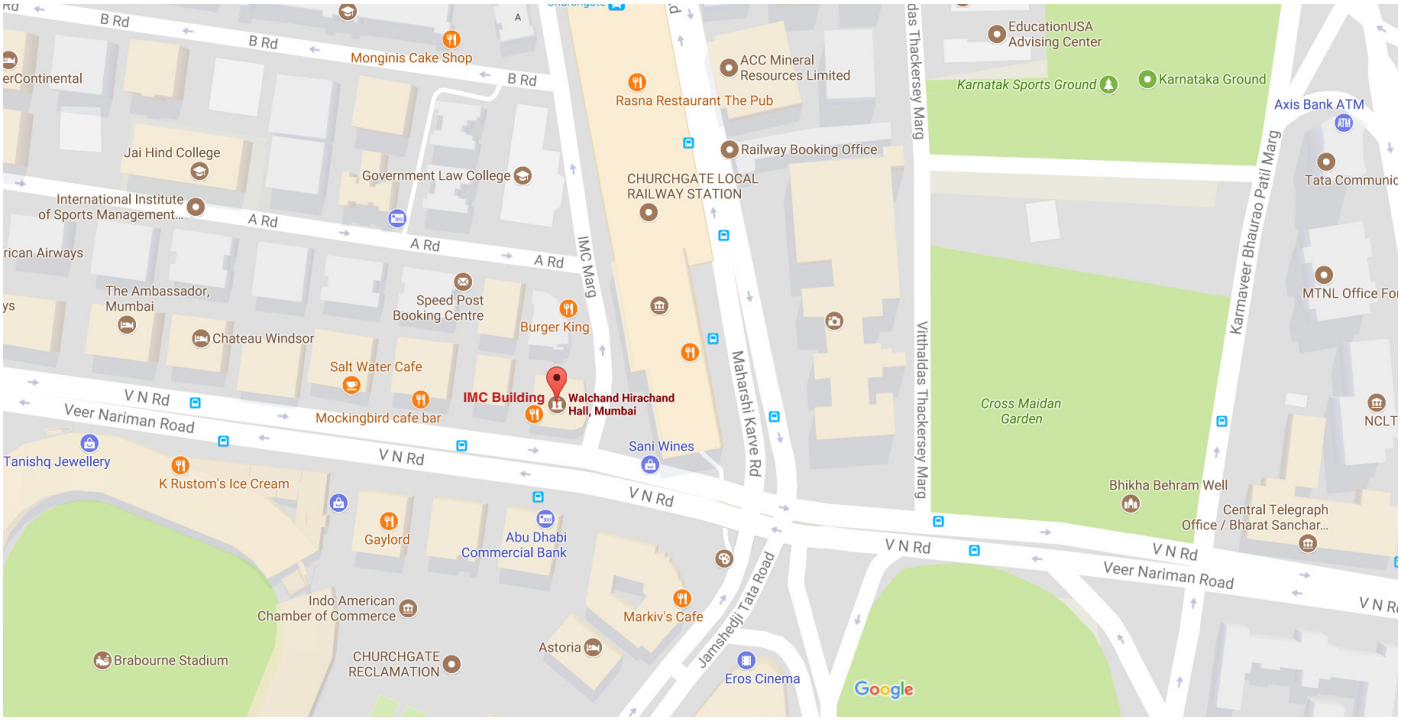
THE YASH BIRLA GROUP

ZENITH BIRLA
(INDIA) LIMITED

# Annual Report
# 2016-17

# Route Map

2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020



# ZENITH BIRLA (INDIA) LIMITED

5th Floor, Industry House,159,Churchgate Reclamation, Mumbai – 400 020.
CIN : L29220MH1960PLC011773
E-mail: zenith@zenithsteelpipes.com; Website : www.zenithsteelpipes.com
Tel: 022-66168400, Fax: 022-22047835

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# CORPORATE INFORMATION

- **Board of Directors**
  Shri Ashish Mahendrakar, Non Executive & Non-Independent Director
  Shri Pritam Dhanawde, Non Executive & Non-Independent Director
  Smt. Minal Pote, Independent Director
  Shri Milind Prabhudesai Independent Director

- **Chief Executive Officer**
  Shri Pushkar M. Natu

- **Chief Financial Officer**
  Shri B. Girvanesh

- **Company Secretary & Compliance Officer**
  Shri Vimal Prakash Dubey (resigned w.e.f. 30.7.2016) Shri Suneel Sullere (appointed w.e.f. 1.8.2016)

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

- **Bankers**
  State Bank of India
  Punjab National Bank
  Bank of Baroda
  Oriental Bank of Commerce
  Bank of India
  Axis Bank
  Shamrao Vithal 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 Palghar
  Tamil Nadu Dist: Karur-639 120, Tamil Nadu

  **Trichy Unit**
  SH No. 71, Survey No. 782,
  Village: Kalugar Thogainmalai
  Taluka: Madhuranthagam Taluka: Kulithalai,

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

  **Corporate Office**
  Dalamal House,
  1st Floor, 206, J.B. Marg,
  Nariman Point, Mumbai 400 021
  Tel: 022-66168400, Fax: 022-22047835

- **Registrars & Share Transfer Agents**
  Bigshare Services Pvt. Ltd
  1st Floor | Bharat Tin Works Building | Opp.Vasant Oasis | Makwana Road
  Marol | Andheri (E) Mumbai - 400059| Maharashtra | India.
  P : +91 022 62638204
  M : +917045454394
  Fax: 022-28475207
  Shubhangi@bigshareonline.com

# NOTICE

**ZENITH BIRLA (INDIA) LIMITED**
5th Floor, Industry House,
159, Churchgate Reclamation,
Mumbai – 400 020
**CIN:** L29220MH1960PLC011773
**E-mail:** *zenith@zenithsteelpipes.com*
**Website:** *www.zenithsteelpipes.com*
**Tel:** 022-66168400, **Fax:** 022-22047835

Notice is hereby given that the Fifty Fifth Annual General Meeting of Zenith Birla (India) Limited will be held on Friday, 29th September, 2017 at 02.00 p.m. 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt:
   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
   b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Ashish Mahendrakar (DIN:03584695) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

   To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/s. Thakur Vaidyanath Aiyar, Chartered Accountants (Firm Registration No. 000038N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fifty fifth AGM of the Company to be held in the year 2017 at such remuneration plus out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass the following resolution as Ordinary Resolution:

   **Ratification of Cost Auditors' remuneration**

   **"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the companies Act, 2013 ("Act") and the rules made thereunder, as amended from time to time, the company hereby ratifies the remuneration of ₹60000 to M/s. Y. R. Doshi & Co. Who are appointed as Cost Auditors of the company to conduct Cost Audit relating to such business of the company as may be ordered by the Central Government under the Act, and the rules made thereunder, for the year ended 31st March, 2018.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   **"RESOLVED THAT** pursuant to Sections 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory

modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with Stock Exchanges where the Company's shares are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009 ("ICDR Regulations"), and other applicable regulations of Securities and Exchange Board of India ("SEBI"), if any (for the time being in force) as may be applicable to the preferential issue of equity shares, the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, SEBI, Reserve Bank of India ("RBI") and other competent authorities, and subject to the approval(s), consent(s), permission(s) and/or sanction(s) as may be required from the Central Government, RBI, SEBI and/or from any other appropriate authority, consent of the members of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as "the Board") which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution to offer, issue, and allot in one or more tranches up to 39,85,390 equity shares (Thirty Nine Lacs Eighty Five Thousand Three Hundred and Ninety Only) of ₹10/- each at par to Birla Precision Technologies Limited, Promoter on a preferential basis, in such manner and on such terms and conditions as may be determined by the Board in accordance with Chapter VII of the ICDR Regulations or any other provision of law as may be prevailing as on date."

**RESOLVED FURTHER THAT** the equity shares proposed to be allotted in terms of this resolution shall be subject to the following:

- The Equity Shares to be allotted to the Proposed allottees shall be under lock-in for such period as may be prescribed by the SEBI ICDR Regulations;
- The Equity Shares so allotted to the Proposed Allottees under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under;
- Allotment shall only be made in dematerialized form.
- The 'Relevant Date' for the purpose of determining the minimum price of the equity shares proposed to be allotted to the above mentioned allottees is August 30, 2017 i.e. being the date which is 30 days prior to the date of this meeting;
- The allotment of equity shares is proposed to be completed within a maximum period of 15 days from the date of passing this resolution, provided that where the allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, or the Central Government then, the allotment shall be completed within 15 days from the date of receipt of such approval; and
- the equity shares proposed to be issued shall rank pari-passu with the existing equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend declared, if any, including other corporate benefits, if any, for which the book closure or the 'Record Date' falls subsequent to the allotment of equity shares."

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things and perform such actions as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including to seek listing, apply for in principle listing approval of the equity shares to be issued and allotted to the above mentioned allottees upon conversion of their outstanding loan amounts and to modify, accept and give effect to any modifications in the terms and conditions of the issue(s) as may be they deem fit."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any committee of directors or any one or more directors/ key managerial personnel/ officers of the Company.

**Notes:**

1. A statement pursuant to Section 102 (1) of the Companies Act 2013 ("the act") relating to the Special Business to be transacted at the Meeting is annexed hereto.

2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**

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

3. The Register of Members and Transfer Books of the Company will be closed from **25 September, 2017 to 29 September, 2017**, both days inclusive.

4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP).

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

5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Bigshare Services Pvt. Ltd. for assistance in this regard.

6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Bigshare Services Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

7. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.

9. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):

   Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, as applicable, remaining unclaimed / unpaid for a period of seven years

from the date they became due for payment, in relation to the Company and have been transferred to the IEPF established by the Central Government.

No claim shall be entertained against the IEPF or the Company for the amounts so transferred prior to March 31, 2017.

Members who have not yet encashed their dividend warrant(s) pertaining to the Final Dividend for the financial year 2009-10 onwards for the Company are requested to make their claims without any delay to the Company. It may be noted that the unclaimed Final Dividend for the financial year 2009-10 declared by the Company on August 5, 2010 can be claimed by the shareholders by September 07, 2017. Members' attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.

10. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd. / Depositories.

11. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the Regulation 44 SEBI (listing Obligations and Disclosure Requirements) 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.

12. M/s Anil Somani & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

13. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

14. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

15. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

16. The instructions for e-voting are as under:

    (i) The voting period begins on 26/09/2017 (9.00 a.m.) and ends on 28/09/2017 (5.00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <22nd September, 2017> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders.

    (iv) Now Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br><br>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><br>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant ZENITH BIRLA (INDIA) LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

i. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

ii. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

iii. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Other Instructions

i. The e-voting period commences on Tuesday, September 26, 2017 (9.00 a.m. IST) and ends on Thursday, September 28, 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 22, 2017 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

ii. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting through ballot.

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

iii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

iii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.Zenithsteelpipes.com and on the website of CDSL www.evotingindia.com immediately after the result is declared.

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

By Order of the Board of Directors

**Sd/-**
**Suneel Sullere**
*Company Secretary*
ACS: 42922

1st September, 2017
Place: Mumbai

**Registered Office:**
5th Floor, Industry House,
159, Churchgate Reclamation,
Mumbai – 400 020.
**CIN:** L29220MH1960PLC011773
**E-mail:** *zenith@zenithsteelpipes.com;*
**Website:** *www.zenithsteelpipes.com*
**Tel:** 022-66168400, **Fax**: 022-22047835

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 5 of the accompanying Notice:

**Item No: 3**

This explanatory statement is provided though strictly not required as per Section 102 of the Act, M/s Thakur Vaidyanath Aiyar &Co (ICAI Firm Registration No. 000038N), Chartered Accountants, Mumbai were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on September 27, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board recommends the Resolution at Item No. 3 for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

**Item No. 4**

The company is directed, under Section 148 of the Companies Act, 2013 ("Act") to have the audit of its Cost records conducted by a Cost Accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Y.R. Doshi & Co. as the cost Auditors of the Company to conduct cost audits relating to such businesses of the Company as may be ordered by Central Government under the Act and the rules made thereunder for the year ending 31st March 2016 at a remuneration of ₹60,000/-

M/s. Y.R. Doshi & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company and have vast experience in the field of cost audit and have conducted the audit of the Cost Records of the Company for the past several years. The Board has approved the remuneration of ₹60,000/- to M/s. Y. R. Doshi & Co. as the Cost Auditors.

The Resolution at Item No. 4 is recommended for approval by the members

None of the directors and key managerial personnel of the Company or their respective relatives are concerned or interested in Resolution mentioned at item No. 4 of the notice.

**Item No. 5**

The Chairman informed the Board that the promoters arranged ₹3.98 crores and induced the same as unsecured loan in the Company from Birla Precision Technologies Limited, a company belonging to the promoter group. The company has now requested that this unsecured loan be converted into equity shares. Based on the said request, the Board resolved to issue, offer and allot upto 39,85,390 equity shares (Thirty Nine Lacs Eighty Five Thousand Three Hundred and Ninety Only) of ₹10/- each at par to Birla Precision Technologies Limited, Promoter on a preferential basis, by conversion of their unsecured loans into equity shares. The special resolution as mentioned under Item no. 5 proposes to authorize the Board to issue and allot these shares on preferential basis, in such manner and on such terms and conditions as prescribed under ICDR Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. The following are the details of the unsecured loan sought to be converted into equity shares pursuant to this resolution:

| Sr. No | Name of the Proposed Allottee | Amount outstanding as August 30, 2017 (in ₹) | Number of Equity Shares to be allotted | Balance of loan outstanding after conversion (in ₹) |
|---|---|---|---|---|
| 1 | Birla Precision Technologies Limited | 3,98,53,900 | 3985390 | Nil |

The information pertaining to the proposed preferential allotment in terms of the Chapter VII of the ICDR Regulations, is as stated below:

(i) Object of the Issue through preferential Allotment: The object of this issue is to convert the outstanding unsecured loan into Equity Shares.

(ii) Pricing of the Issue and Relevant Date: The issue of equity shares on preferential basis to the promoters/non promoters of the company will be in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of chapter VII of the ICDR Regulations. The ICDR Regulations, in terms of Regulation 76, inter alia, provide that the price of the equity shares to be issued in terms of a preferential allotment shall not be less than higher of the following:

(a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the stock exchange during the twenty six weeks preceding the relevant date; OR

(b) The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on the stock exchange during the two weeks preceding the relevant date.

Assuming August 30, 2017 as relevant date, the issue date, the issue price computes to ₹10/- per share. The Board of Directors has decided to issue the Equity shares at ₹10/- per share. Accordingly, the number of equity shares proposed to be issued is as under:

| Sr. No | Name of the Allottee | Number of Equity Shares* |
|---|---|---|
| 1 | Birla Precision Technologies Limited | 3985390 |

* The number of Equity shares to be allotted has been calculated on the basis of issue price determined taking the date of this Notice as Relevant Date in terms of pricing formula of Chapter VII of SEBI ICDR Regulations. However, the shareholding pattern and issue price on the basis of actual relevant date i.e. August 30, 2017 may vary and accordingly number of shares to be allotted may increase or decrease subject to the condition that total investment will not exceed ₹39853900 in any case.

(iii) The proposal of the promoters, or their associates and relatives, directors/key managerial persons of the issuer to subscribe to the offer:

Only the following promoter group entity has conveyed to the Company in writing to subscribe to the equity shares of the Company on preferential basis under the resolution under Item No. 5

| Sr. No | Name of the Allottee | Number of Equity Shares* | Category |
|---|---|---|---|
| 1 | Birla Precision Technologies Limited | 3985390 | Promoter |

(iv) Identity of the Proposed Allottee(s) and the Percentage of Post Preferential Issue Capital that may be held by them:

| Name of the Allottee | Pre Preferential Holding | | Proposed Allotment | Post Preferential Holding | |
|---|---|---|---|---|---|
| | No. Of Shares | %age | | No. Of Shares | %age |
| Birla Precision Technologies Limtied | 0 | 0.00 | 3985390 | 3985390 | 2.95 |
| Total | 0 | 0.00 | 3985390 | 3985390 | 2.95 |

(v) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control;

1. The natural persons who are the ultimate beneficial owner of the shares proposed to be allotted to Birla Precision Technologies Limited is Mr. Bhanwar Singh Gour

(vi) Shareholding pattern before and after preferential issue of the capital would be as follows:

| Sr. No | Category | Pre-Preferential issue Shareholding | | Post-allotment Shareholding after issuance of Equity Shares | |
|---|---|---|---|---|---|
| | Category | No. of shares | % | No. of shares | % |
| **A** | **Promoter's Holding** | | | | |
| | (i) Indian Promoters | | | | |
| | (a) Individual/HUF | 34 | 0 | 34 | 0 |
| | (b) Bodies Corporate | 0 | 0 | 0 | 0 |
| | (c) Others | 11257123 | 8.57 | 15242513 | 11.27 |
| | (ii) Foreign Promoters | | | | |
| | - Individual | 0 | 0 | 0 | 0 |
| | - Bodies Corporate | 0 | 0 | 0 | 0 |
| | **Sub Total (A)** | **11257157** | **8.57** | **15242547** | **11.27** |
| **B** | **Non Promoters Holding** | | | | |
| | President of India | 17 | 0.00 | 17 | 0.00% |
| | Mutual Fund/UTI | 3665 | 0 | 3665 | 0.00% |
| | FIs/Banks | 425977 | 0.32 | 425977 | 0.31% |
| | FIIs | 0 | 0.00 | 0 | 0.00% |
| | Bodies Corporate | 15598638 | 11.88 | 15598638 | 11.54% |
| | Residents Individuals | 101658540 | 77.44 | 101658540 | 75.15% |
| | NRI | 2234223 | 1.70 | 2234223 | 1.65% |
| | Foreign Nationals | 0 | 0 | 0 | 0.00% |
| | Overseas Corporate Bodies | 0 | 0 | 0 | 0.00% |
| | Clearing Members | 100517 | 0.08 | 100517 | 0.07% |
| | Directors/Relatives | 0 | 0 | 0 | 0.00% |
| | Foreign Trusts | 0 | 0 | 0 | 0.00% |
| | Indian Trust | 1714 | 0.00 | 1714 | 0.00% |
| | Sub Total (B) | 12,00,23,291 | 91.43 | 12,00,23,291 | 88.72% |
| | **Grand Total (A+ B)** | **13,12,80,448** | **100.00** | **13,52,65,838** | 100.00% |

Note: The above pre-issue shareholding pattern is prepared as on June 30, 2017.

* The number of Equity shares to be allotted on preferential basis pursuant to this resolution has been calculated on the basis of issue price taking the date of this Notice as Relevant Date in terms of pricing formula of Chapter VII of SEBI ICDR Regulations. However, the post shareholding pattern may vary depending upon the actual issue price and numbers to be allotted.

(vii) Proposed time within which the allotment shall be completed:

As required under the ICDR Regulations the company shall complete the allotment of equity shares as on or before the expiry of 15 days from the date of passing of this resolution by the shareholders granting consent for preferential issue, provided that in case the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the central government, then the allotment shall be completed within 15 days from the date of receipt of such approval

(viii) Lock-in period of shares: The Equity shares to be allotted to the promoters/non promoters on preferential basis shall be locked-in for a period as per requirements of SEBI (ICDR) Regulations.

(ix) Auditors certificate: The certificate of the statutory auditors to the effect that the present preferential issue is being made in accordance with the requirements contained in the chapter VII of the ICDR Regulations shall be open for inspection at the registered office of the company on all working days except Saturday, Sundays and Public holidays between 11.00 a.m. to 1.00 p.m. till the date of Annual General Meeting and shall also be placed at the Annual General Meeting.

(x) Change in control The present allotment is being made to promoters will not result in any change in the control of the company.

(xi) Undertakings:

(a) The Company undertakes to re-compute the price of the equity shares issued in terms of the preferential allotment under this resolution in terms of the ICDR Regulations where it is required to do so.

(b) The Company undertakes that if the amount payable on account of re-computation of price is not paid within the time stipulated in the ICDR Regulations, the specified equity shares shall continue to be locked-in till the time such amount is paid by the allottees.

The Board of Directors recommends the passing of the above resolution set at item No. 5 as a Special Resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the above said resolution.

By Order of the Board of Directors

Sd/-

Date: 1st September, 2017
Place: Mumbai

Suneel Sullere
Company Secretary

**Registered Office:**

5th Floor, Industry House,
159, Churchgate Reclamation,
Mumbai – 400 020.
CIN: L29220MH1960PLC011773
E-mail: zenith@zenithsteelpipes.com;
Website: www.zenithsteelpipes.com
Tel: 022-66168400, Fax: 022-22047835

# DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Fifty Fifth Annual Report and the Company's audited financial statements for the financial year ended March 31, 2017.

## 1. FINANCIAL RESULTS

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | **Year ended 31-03-2017** | Year ended 31-03-2016 | **Year ended 31-03-2017** | Year ended 31-03-2016 |
| Revenue from operation | **15,692.16** | 9,148.65 | **8,584.23** | 7,504.49 |
| Other Income | **91.54** | 2,252.99 | **75.21** | 2,176.54 |
| **Total Income** | **15,783.70** | 11,401.64 | **8,659.44** | 9,681.03 |
| PBDIT | **(1,810.19)** | (1,463.02) | **(2,005.39)** | (1,514.94) |
| Interest & Finance Exp. | **866.85** | 1,043.48 | **744.58** | 991.63 |
| **PBDT** | **(2,677.04)** | (2,506.50) | **(2,749.97)** | (2,506.57) |
| Depreciation | **623.59** | 610.69 | **623.59** | 610.69 |
| **PBT** | **(3,300.63)** | (3,117.19) | **(3,373.56)** | (3,117.26) |
| Less: Current tax | **-** | 4.87 | **-** | - |
| Deferred Tax Liability | **-** | - | **-** | - |
| **Profit After tax (PAT)** | **(3,300.63)** | (3,122.06) | **(3,373.56)** | (3,117.26) |
| Prior period expenses | **12.22** | 143.97 | **12.22** | 143.97 |
| Exceptional Expenses | **-** | - | **-** | - |
| **Profit transferred to reserve** | **(3,312.85)** | (3,266.03) | **(3,385.78)** | (3,261.23) |

## 2. Operating and Financial Performance:

The revenue from operations for the year has been ₹8,584.23 Lakh as against ₹7,504.49 Lakh in the previous year. Revenue from operations affected due to continued stiff competition in the market and recessionary trend. The Company also operated at lower capacity utilization due to shortage of working capital which has also impacted the profitability of the Company for the year. Production cost also pushed up due to exorbitant increase in input cost. Your Company has taken several remedial steps to meet the challenges viz. measures in saving cost at all front of operations; optimize use of available resources etc. In absence of profits, your directors are unable to declare any dividend for the year under review.

## 3. DIVIDEND

In view of huge losses and financial crunches, your Directors have not recommended dividend for the year ended March 31, 2017.

## 4. EXPORT PERFORMANCE

Exports turnover decreased to 230.40 lacs for the year ended 31st March, 2017 as compared to 2532.09 lacs of previous year.

## 5. LOCK - OUT AT KHOPOLI UNIT

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

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

Pursuant to Company's account becoming NPA, consortium of banks led by State Bank of India had moved its application to District Collector Alibaug for Physical possession of Company's immovable property at Khopoli unit. As the same was contested by the company and hence, matter of physical possession of the above property is subjudice.

**7. SHARE CAPITAL**

There has been no change in the Share Capital of the Company.

**8. Employee Stock Options Plan**

No shares have been allotted under the ESOP till date. The Company has not granted any stock options during the financial year ended 31st March, 2017.

**9. SUBSIDIARY COMPANY**

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

The Accounts of the wholly owned Subsidiaries , namely Zenith (USA) Inc. and Zenith Middle East FZ LLC for the year ended 31st March, 2017 have been received by the Company and a statement pursuant to section 129 of the Companies Act, 2013, forms part of this Annual Report. Your Directors have pleasure in enclosing the consolidated financial statements of the Company in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting standards issued by the Institute of Chartered Accountants of India.

In compliance with the general circular issued by Ministry of Corporate Affairs (MCA), Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary are not attached hereto. As per the general exemption, a statement containing brief financial details of the Company's subsidiary for the year ended 31st March, 2017, is included in this Annual Report. The Annual Accounts of the subsidiary and the related detailed information will be made available to any Member of the Company/its subsidiary seeking such information at any point of time and are also available for inspection by any Member of the Company/its subsidiary at the Registered Office of the Company/its subsidiary.

**10. FIXED DEPOSITS:**

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

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

(₹ In Lacs)

| | | | |
|---|---|---|---|
| 1. | Deposits Accepted during the year | NIL | |
| 2. | Deposits remained unpaid or unclaimed as at end of the year | 2820.26 | |
| 3. | Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: | Principal | Interest |
| | i. At the beginning of the year | 2820.26 | 1181.79 |
| | ii. Maximum during the year | 2820.26 | 1435.97 |
| | iii. At the end of the year | 2594.14 | 1435.97 |
| 4. | The details of deposits which are not in compliance with the requirements of Chapter V of the Act | Not Applicable | |

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

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

## 11. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

## 12. CORPORATE GOVERNANCE

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

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2017 and the Loss of the Company for the financial year ended 31st March, 2017.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a 'going concern' basis;
5. Internal financial controls had been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
6. Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 14. AUDITORS

**a) Statutory Auditors:**

M/s. Thakur Vaidyanathan Aiyar Chartered Accountants, (firm Registration No. 000038N) Mumbai, Statutory Auditors of the Company, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment. A written consent from the Auditors has been received along with a certificate that their appointment if made, shall be in accordance with the prescribed conditions and the said Auditors satisfy the criteria provided in Section 141 of the Companies Act, 2013.

**b) Internal and Management Auditors:**

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

**c) Cost Auditors:**

The Board had appointed M/s. Y.R. Doshi & Co. Cost Accountants as the cost Auditor for the F.Y. 2017-18 at a remuneration of ₹60,000/-subject to ratification by the members in the ensuing Annual General Meeting.

**15. Secretarial Auditors' report**

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

**16. Auditor's Remark**

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

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

| Sr. No. | Statutory Auditor's Remark | Directors' explanation |
|---|---|---|
| 1 | With reference to Note No. 44 regarding the non provision by the Company of the interest amounting to ₹38.36 Crores for the year and ₹136.52 Crores upto 31-03-2017 on its working capital facilities from banks. Had this amount been provided for, the loss would have been higher by ₹38.36 Crores and the secured loans would have been cumulatively higher by ₹136.52 lacs. | The Company trying for One Time Settlement (OTS) with the banks. Hence, it is felt prudent for not providing for interest after the accounts became NPA. |
| 2 | The Company has not complied with the provisions of the section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board. | On account of huge losses and negative net worth, there was financial crunch. Hence<br>(i) As required u/s 74 of the Companies act, 2013, the company could not pay its outstanding deposits as on 31.03.2014, within a period of one year.<br>(ii) could not maintain liquid assets<br>(iii) could not comply fully with the orders passed by the Company Law Board u/s 58A(9) of the Companies Act,1956.<br>**For qualification on non-compliance of section 74(2) of Companies Act, 2013:**<br>The Company has taken on priority to clear the dues of deposit holders who are incapacitated and to comply with the orders of existing authorities. For the rest the Company has already started the process of settling their dues and bill completed before the end of financial year 2017-18. |

| | | |
|---|---|---|
| 3 | With reference to Note No. 42 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, deposits, inter units etc being not confirmed by the parties/units and hence our inability to state whether these balance are recoverable/payable to the extent stated. | Reconciliation of balances of sundry creditors are an ongoing basis and the figures would be ascertained only when the reconciliation is finalised. The Company is taking steps to obtain balance confirmation from its parties. However, it will not have any material impact on the state of affairs of the Company. |
| 4 | With reference to Note No. 48 which indicates that the Company has accumulated losses exceeding the Share Capital and Reserves and its net worth has been fully eroded. These conditions along with other matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note. | On account of strategic understanding with suppliers/ customers, which is continuing, the Company is on revival mode and is operating its some of the units. In view of the same going concern concept holds good. |
| 5 | According to information and explanations given to us and the records of the Company examined by us, in our opinion except for dues in respect of Dividend Distribution Tax, Tax Deducted at Source, Professional Tax, Tax Collected at Source, Service Tax, Provident Fund, Employees State Insurance, Sales Tax, Labour Welfare Fund, Value Added Tax, Excise Duty and Corporation Tax the Company is generally regular in depositing the undisputed statutory dues including Custom Duty, Cess and other material statutory dues, as applicable. The following balances remain in arrears as at the last day of the financial year for a period exceeding six months from the date they become payable<br>Income Tax Deducted at Source ₹50,97,966<br>Income Tax Collected at Source ₹1,26,126<br>Sales Tax / Central Sales Tax ₹66,90,682<br>Provident Fund ₹25,41,754<br>Labour Welfare Fund ₹17,845<br>Professional Tax ₹47,426<br>Service Tax ₹33,07,872<br>Value Added Tax ₹77,21,508<br>Excise Duty ₹49,092<br>Dividend Distribution Tax ₹3,59,08,091<br>Interest on Dividend Distribution Tax ₹2,26,22,097<br>Corporation Tax ₹3,863 | The Company has complied with the deposit of taxes now except the once mentioned by the Auditors. Some of them are outstanding due to financial crunch and some of them all really not outstanding but are of excess provisions as well as proper unit wise adjustments were not done. The same is being carried out and will be reflected in the next reporting year. |

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

| Sr. No. | Secretarial Auditor's Remark | |
|---|---|---|
| 1. | *The company has not filed cost Audit Report for two years, viz, 2014-15 & 2015-16* | Due to lockout at Khopoli Unit since November 2013 declared by the company is at not lifted by the company and still continue and we are unable to obtain or having access for collecting information and records of all units of the company maintained at khopoli plant by costing department. Moreover, our all costing staff has left the company since then. But the Company is in the process of getting the required detail for Cost Audit Purpose thus we can file cost Audit Report. |
| 2. | *The company has failed to transfer unclaimed shares in a separate demat account* | On account of financial crunches, the decision for sending reminder to shareholders was deferred. Hence unclaimed shares could not be transferred. |

**17. Number of meetings of the board**

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

**18. Board of Directors, Evaluation Etc.**

Company's Policy on Directors Appointment and Remuneration etc.

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

Formal Annual Evaluation

The Formal Annual Evaluation has been made as follows:

a. The Company has laid down evaluation criteria separately for Board, Independent Directors, Directors other than Independent Directors and various committees of the Board. The criteria for evaluation of Directors included parameters such as willingness and commitment to fulfill duties, high level of professional ethics, and contribution during meetings and timely disclosure of all the notice/details required under various provisions of laws. Based on such criteria, the evaluation was done in a structured manner through peer consultation & discussion.

b. Evaluation of the Board was made by a Separate Meeting of Independent Directors held under Chairmanship of Shri. Milind Prabhudesai, Independent director (without attendance of non – Independent Director and members of management).

c. The performance evaluation of all committees were done by the Board of Directors namely:

   i. Audit Committee

   ii. Nomination and Remuneration Committee

   iii. Stakeholders Relationship Committee

d. Performance evaluation of non – Independent Directors was done by Separate meeting of Independent Directors.

e. Evaluation of Independent Directors was done (excluding the Director who was evaluated) by the Board of Directors of the Company.

f. In addition, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance as required under Section 178 (2) of Companies Act, 2013.

g. The Directors expressed their satisfaction with the evaluation process.

**19. Declaration of Independence**

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

**20. Policy on directors' appointment and remuneration and other details**

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

**21. Internal financial control systems and their adequacy**

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

**22. Audit committee**

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

**23. Risk management**

The Board of the Company has framed the risk management policy to implement and monitor the risk management plan for the Company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

**24. Particulars of loans, guarantees and investments**

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

**25. Transactions with related parties**

In accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder, all related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business, the details of which are included in the notes forming part of the financial statements. There were no materially significant related party transactions which may have a potential conflict with the interests of the Company at large. Accordingly, information in Form AOC-2 is not required.

**26. Material Changes and Commitments occurred between the end of financial year under review and the date on this report.**

No material changes and commitments have occurred between the end of the financial year under review and the date of this report.

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

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

**28. Vigil Mechanism/Whistle Blower Policy**

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

**29. Employees' Safety**

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

**30. Corporate social responsibility**

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

**31. Extract of annual return**

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

**32. Material Orders Passed by the Regulators / Courts / Tribunals:**

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

**33. PARTICULARS OF EMPLOYEES**

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

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

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

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

| Directors*, Chief Executive Officer, Chief Financial Officer and Company Secretary | | % increase in the remuneration in the financial year |
|---|---|---|
| Shri Pushkar Natu, | C.E.O. | Nil |
| Shri B. Girvanesh, | C.F.O. | Nil |
| Shri Vimal Dubey (upto 31.7.2016) | Company Secretary | Nil |
| Shri Suneel Sullere (w.e.f. 1.8.2016) | Company Secretary | Nil |

***** Since Directors are not paid any remuneration except sitting fees, hence, details for them are not given.

**(iii) The percentage increase in the median remuneration of employees in the financial year: 4.5%**

**(iv) The number of permanent employees on the rolls of company: 267**

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

The average annual increase was around 5%.

**(vi) The key parameters for any variable component of remuneration availed by the directors;**

Since no remuneration has been paid to Directors except fee for attending meetings, hence not applicable.

**(vii) Affirmation that the remuneration is as per the remuneration policy of the company**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

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

**34. Disclosure pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

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

**35. CEO/CFO Compliance Certificate**

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2017 is provided under Corporate Governance Report.

**36. PERSONNEL**

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

**37. ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board**

| | | |
|---|---|---|
| **Place: Mumbai** | **Ashish Mahendrakar Director** | **Milind Prabhudesai Director** |
| **Date : 1st September, 2017** | **(DIN: 03584695)** | **(DIN: 07280962)** |

# ANNEXURE TO DIRECTORS' REPORT
## Annexure - A
## MANAGEMENT DISCUSSION AND ANALYSIS:

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

### (a) Indian Economy:

India is the fastest-growing G20 economy with expected growth of around 7.4% in FY18 against 7% in FY17. The acceleration of structural reforms, the move towards a rule based policy framework and low commodity prices have provided a strong growth impetus. Recent deregulation measures and efforts to improve the ease of doing business have boosted foreign investment. A comprehensive tax reform would promote inclusive growth. The effective implementation of GST would support competitiveness, investment and economic growth. GST will reduce the cascading effect of tax; it will boost India's competitiveness, investment and job creation. GST reform is designed to be initially revenue-neutral. The Government's plans to reduce the corporate income tax rate and broaden the tax base will serve the same objectives. Moreover, as a consequence of the Centre's major economic reform 'demonetization' and on the back of moderating inflation, market interest rates and yields on g-secs are expected to be lower in FY18 as compared to FY17. Although demonetization and GST have been slowing down the industry but it will be beneficial in long term.

### (b) Industry Structure & Developments:

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used. In India, steel has an output multiplier effect of nearly 1.4X on GDP and employment multiplier factor of 6.8X.

The growth in Indian economy has fueled the infrastructure and industrial manufacturing sectors in the country which have in turn led to significant increase in steel demand. The domestic steel industry has in turn grown in line to meet the steel demand. From a modest capacity of 22 MT and production of 17 million tonnes of crude steel in 1991-92, it has grown by over 400% to reach a capacity of 122 MT and a production level of ~89 million tonnes in 2015-16. In fact, in 2015, India overtook the United States to become the third largest steel producer and is well on course to become the second largest producer soon. Even during the global economic downturn of 2008-09, when the steel industries of rest of the major producing countries faltered, Indian steel industry stood resilient.

India's steel sector posted a robust 11% growth in production in 2016-17 at 101.2 MT even as domestic consumption remained anemic mainly due to poor off take from the end-use segments like construction, automobiles and white goods sectors. India became the 3rd largest producer of steel in 2015 and is now well on track to emerge as the 2nd largest producer after China. There is significant potential for growth given the low per capita steel consumption of 61 Kg in India, as compared to world average of 208 Kg. Indian economy is rapidly growing with enormous focus on infrastructure and construction sector. Several initiatives mainly, affordable housing, expansion of railway networks, development of domestic shipbuilding industry, opening up of defense sector for private participation, and the anticipated growth in the automobile sector, are expected to create significant demand for steel in the country. Further, while the main focus of the industry is on the domestic market, being in close vicinity of the developed west and developing east, provides it a strategic location that augurs well for the industry seeking opportunities for exports of finished goods and imports of some scarcely available raw materials.

**(c) Opportunities & Threats:**

The Government of India is coming up with new projects and investments in the irrigation sector. The focus of the government is on rural water management, which will be fulfilled only when there will be proper transportation of water to the end-user. This is one of the major demand drivers of the pipe industry along with expansion of housing sector and increasing demand for oil and gas transportation. The union budget did not have any direct schemes for pipe industry, but several measures announced in the oil & gas, solar power, water and sanitation space are likely to drive domestic pipe demand. The proposed pipeline infrastructure will lead to more demand for steel pipes in India. However, availability of gas is an important pre-requisite towards effective implementation of this proposal.

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

The ambitious infrastructure projects and the thrust in manufacturing through the “Make in India” campaign are steps in the right direction. The plan for smart cities, improved road and rail connectivity by building highways, bridges and dedicated freight and superfast rail corridors have huge potential to spur domestic steel demand. Consuming sectors - construction, automobile and engineering are expected to grow in 2017- 18 fuelled by the softening of interest rates and implementation of government policies for the revival of infrastructure and investment in the country.

However, the Indian steel sector is disadvantaged due to limited availability of essential raw material such as high grade Manganese ore & Chromites, cooking coal, steel grade limestone, refractory raw material, Nickel, Ferrous Scrap etc. Due to shortage of domestic coking coal, both in terms of quantity and quality, pig iron producers/ BF operators in India have to significantly depend on import of coking coal. 1.10. In the recent past, multiple issues have also adversely impacted the steel sector, viz. cancellations of iron ore and coal mine allocations, delays in land acquisition, environmental clearances, which led to many of the projects facing significant cost and time overruns. Additionally, companies also faced substantially increased operating costs on account of increased logistics & raw material costs and other charges.

It is expected that at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of 212 - 247 MT by 2030-31. However, even with this demand of finished steel by 2030-31, India’s per capita consumption would reach only to 160 Kgs, lower than the current global average of 208 kg.

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

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

**(e) Outlook:**

India’s average Gross Domestic Product (GDP) growth has been estimated to grow by 7.2% in 2017-18, up from 7.1% in 2016-17 supported by industrial growth of which would gradually increase steel demand in the country.

In According to World Steel Association (WSA) is one of the few countries to remain a “resilient “economy in the face of a “global Slowdown” because of its commitments to “reforms”. Hopefully, good showing in manufacturing, mining and electricity sectors will be sustained to generate improved demand for steel in the months ahead.

**(f) Risks and Concerns:**

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

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

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

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

During the year under review, the net income of the Company stood at ₹8659.41 lacs as compared to ₹9681.03 lacs of previous year. The Company is working on the ways and means to regularize the overdraft with the co-operation and consensus of the bankers. Loss after Tax for the financial year stood at ₹3373.56 lacs as against loss of ₹3117.26 lacs of previous year.

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

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

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

Presently, your Company employs around 550 employees. There is Lock-out at factory at Khopoli since December, 2013. The industrial relation continues to remain generally cordial at all locations of the Company except its factory at Khopoli.

**(j) Cautionary Statement:**

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

# Annexure – B
# REPORT ON CORPORATE GOVERNANCE

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, Corporate 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 Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2017, the Board of Directors has 4 (Four) members, out of which 2 (two) are an Independent Director, 2(Two) are Non-Executive, Non-Independent Director. The composition of the Board was in conformity with Regulation 17(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 17(1)), across all the Companies in which they are Director. The necessary disclosures regarding Committee positions have been made by the Directors.

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

| Name of Directors | Category of Directorship | No. of shares held as on 31.03.2017 | No. of other directorships as on 31.3.2017 | #No. of other Committee positions | | No. of Board Meetings attended during the year | Attendance at the 54th Annual General Meeting held on 24.09.2016 |
|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | | |
| Shri Ashish Mahendrakar | Non-Executive Non-Independent | NIL | 15 | 2 | 6 | 4 | Yes |
| Mrs. Minal Pote | Non-Executive Independent | NIL | 10 | - | 4 | 4 | No |
| Shri Milind Prabhudesai | Non-Executive Independent | NIL | 11 | 3 | 2 | 4 | Yes |
| Pritam Dhanawade | Non-Executive Non-Independent | NIL | 12 | 1 | - | 4 | Yes |

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

**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 120 days. The dates on which the said meetings were held are as follows:

| Sr. No. | Date of Meeting |
|---|---|
| 1 | 26.05.2016 |
| 2 | 12.08.2016 |
| 3 | 11.11.2016 |
| 4 | 10.02.2017 |

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

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

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

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

1. Annual operating plans and budgets and updates
2. Capital Budgets and updates

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

The Board periodically reviews compliance report of all applicable laws to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any. During F.Y. 2016-17, 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, 2017, 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, 2017.

Place: Mumbai
Date: 30.05.2017

Sd/-
**PUSHKAR NATU**
Chief Executive Office

**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**

| **Name of the Director** | **Mr. Ashish Mahendrakar** |
|---|---|
| Date of Birth | 20.06.1971 |
| Date of Appointment | 13.03.2016 |
| Qualification | B.Com., D.B.M., M.M.S. |
| Expertise in specific functional area | Mr. Ashish Mahendrakar aged 43 years is B.Com, D.B.M., M.M.S having 22 years of experience in the field of accounts, banking and finance |
| Directorship held in other companies | 15 |
| Committee positions held in other companies (C = Chairman; M = Member) | C - 2<br>M - 6 |
| No. of Shares held in the Company | NIL |

Note:

1. Only three committees namely, Audit Committee, Nomination and Remuneration Committees, 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 Regulation 18 of the SEBI, LODR 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

Review and monitor the auditors' independence and performance, and effectiveness of audit process; Approval or any subsequent modification of transactions of the Company with related parties; Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the Company, wherever it is necessary; Evaluation of internal financial controls and risk management systems;

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

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

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

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

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

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

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

To review the functioning of whistle blower mechanism. 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 – Non-Independent Director. All the members of the Audit Committee have adequate accounting and financial knowledge.

Shri Milind Prabhudesai being Chairman of the Committee is Non-Executive Independent Director.

During the year ended 31st March, 2017, the Committee met 4 times on 26th May 2016, 12 August, 2016 at, 11th November 2016, and 10th February 2017.

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 Milind Prabhudesai (Chairman) | Independent Non-Executive | 4 |
| Mrs. Minal Pote | Independent Non-Executive | 4 |
| Shri Ashish Mahendrakar | Non Executive & Non-Independent | 4 |

The previous annual general meeting (AGM) of the Company was held on September 24, 2016.

**iv.** The Audit Committee Meetings are usually held at the Corporate 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 Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements)

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

Company has an assured access to the Chairman of the Audit Committee.

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

i. The Company follows a policy on remuneration of Directors and Senior Management Employee, pursuant to the provisions of the Act and Regulation 19 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015.

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.2016-17 |
|---|---|---|---|
| 1. Milind Prabhudesai | Non-Executive Independent | 3 | 3 |
| 2. Minal Pote | Non-Executive Independent | 3 | 3 |
| 3. Ashish Mahendrakar | Non-Executive Non-Independent | 3 | 3 |

During the year, three meetings of the nomination and remuneration committee were held on 26.05.2016, 11.11.2015 and 10.02.2016 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 2016-17, the Company paid sitting fees of ₹10,000/- per meeting to its non-executive directors for attending meetings of the board and ₹5,000/- for attending meetings of audit committee of the Board. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

vi. Details of sitting fees for the year ended March 31, 2017:

| Name of Director | Sitting Fees paid during 1st April, 2016 to 31st March, 2017 (₹ In Lakhs) |
|---|---|
| Mrs. Minal Pote | 0.60 |
| Mr. Milind Prabhudesai | 0.60 |
| Mr. Ashish Mahendrakar | 0.60 |
| Mr. Pritam Dhanawade | 0.40 |

vii. None of the Directors is holding equity shares of the Company as on 31.03.2017.

**6. Board Sub-Committees for Shareholders Stakeholders' relationship committee**

i. The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Act and revised Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

ii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name of the Member | Category | No. of Meetings held | No. of Meetings attended |
|---|---|---|---|
| 1. Milind Prabhudesai | Non-Executive Independent | 5 | 5 |
| 2. Ashish Mahendrakar (Chairman) | Non-Executive Non-Independent | 5 | 5 |

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

iii. 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.

iv. Name, designation and address of Compliance Officer: Mr. Vimal Prakash Dubey (upto 30th July, 2016)
Mr. Suneel Sullere (w.e.f. 1st August, 2016) Company Secretary
Zenith Birla (India) Limited 5th Floor, Industry House 159, Churchgate Reclamation
Mumbai 400 020
Telephone: 91-22-66168400

v. Details of investor complaints received and redressed during the year 2016-17 are as follows:

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

| Type of Complaints | No. of Complaints | | |
|---|---|---|---|
| | Received | Resolved | Pending |
| Legal Cases / Court Cases | 0 | 0 | - |
| Non receipt of Certificates after transfer / after exchange | 1 | 1 | - |
| Non receipt of Dividend Warrants | 2 | 2 | - |
| Non receipt of Annual Report | 6 | 6 | - |
| Non receipt of Bonus Shares | - | - | - |
| Non receipt of Demat Credit | 3 | 3 | - |
| Non receipt of Demat Rejection Documents | 1 | 1 | - |
| SEBI | 6 | 6 | - |
| Total | 19 | 19 | - |

**7. Subsidiary Company**

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

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

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

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

**8. General Meetings:**

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

| Year | AGM | Location | Day, Date & Time |
|---|---|---|---|
| 2015-2016 | 54th | Gopi Birla Memorial School, Walkeshwar Road,68, Walkeshar, Malabar Hill Mumbai – 400 006. | Saturday, 24.09.2016 at 11 a.m. |
| 2014-2015 | 53rd | Gopi Birla Memorial School, Walkeshwar Road,68, Walkeshar, Malabar Hill Mumbai – 400 006. | Saturday, 26.09.2015 at 01.30 p.m. |
| 2013-2014 | 52nd | Gopi Birla Memorial School, Walkeshwar Road,68, Walkeshar, Malabar Hill Mumbai – 400 006. | Saturday, 27.09.2014 at 3.30 p.m. |

**(b) Extra Ordinary General Meeting**

There was no Extra Ordinary General Meeting held during the Financial Year 2016-17

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

| Date of AGM | Particulars of Special Resolutions Passed |
|---|---|
| 2015-2016 | 1. Adoption of new set of Articles of Association |
| 2014-2015 | No Special Resolution passed |
| 2013-2014 | 1. To reconfirm authority to Board of Directors for Borrowings upto ₹600 crores<br>2. To Approve Creation of Charge / Security over the assets / undertaking of the company, in respect of Borrowings.<br>3. Ratification of Cost Auditor's Remuneration. |

**(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, 2017.

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 2013-14, 2014-15 and 2015-16 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.

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.

iii. All mandatory requirements as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with by the company.

iv. 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 an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The audit confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical and the total number of dematerialized shares held with NSDL and CDSL.

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

**11. Means of Communication:**

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

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

**b. Management Discussion & Analysis Report**

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

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

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

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

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

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

**f. Designated Email ID for Complaints/ Redressal:** 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 | : | Friday, 29th September, 2017 at 2.00 p.m. |
| Venue | : | 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 |

**2. Financial Calendar for the year 2017-18 (Tentative)**

| | | |
|---|---|---|
| Accounting Year | : | April 1, 2017 to March 31, 2018 |
| First Quarter Results | : | On or before 14th August, 2017 |
| Second Quarter Results | : | On or before 14th November, 2017 |
| Third Quarter Results | : | On or before 14th February, 2018 Fourth Quarter |
| and Annual Results | : | On or before 30th May, 2018 |
| Mailing of Annual Report | : | July/August, 2018 |
| Annual General Meeting | : | On or before 30th September, 2018 |
| Book Closure Date | : | From Monday, 25th September 2017 to Friday, 29th September, 2017 (both days inclusive). |
| **Registered Office** | : | 5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai – 400 020. |
| Listing of Equity Shares on the Stock Exchange | : | 1. Bombay Stock Exchange Ltd. P. J. Towers, Dalal Street, Mumbai 400 023.<br>2. National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. |

| | | |
|---|---|---|
| **i. Stock Exchange** | | **Bombay Stock Exchange Ltd.** P. J. Towers, Dalal Street, Mumbai 400 023 |
| Stock Code | | 531845 |
| **ii. Stock Exchange** | | **National Stock Exchange of India Ltd.** Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 |
| Stock Code | | ZENITHBIR |
| iii. ISIN No. for the Company's | | INE318D01020 Equity Shares in Demat form |
| iv. Depositories connectivity | | NSDL and CDSL |

**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.

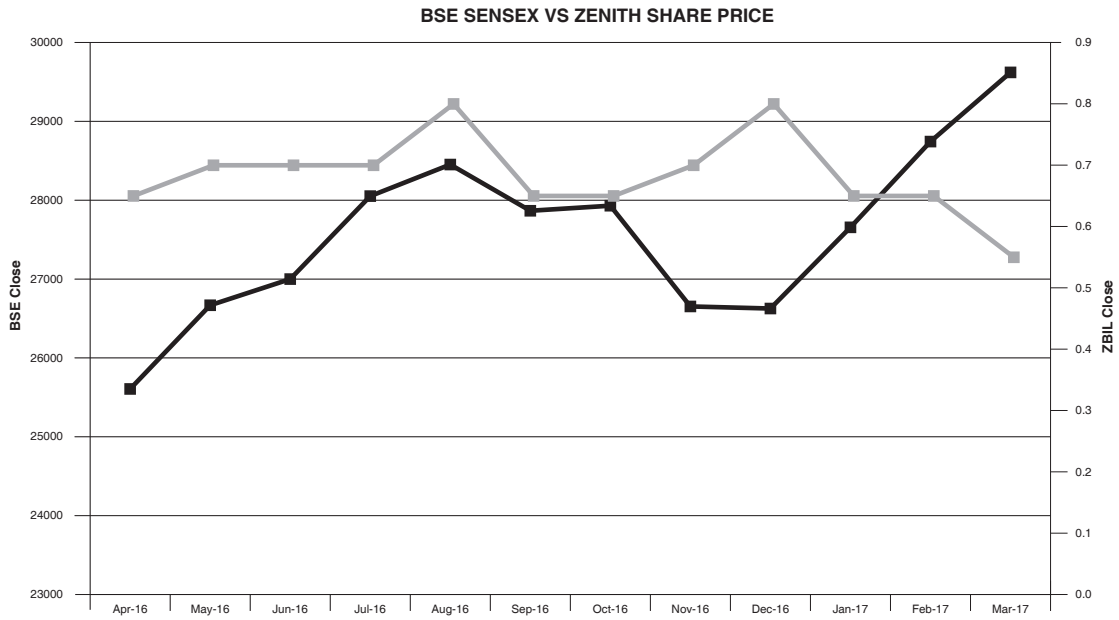
**Stock Price Data and Comparison to broad –based indices:**

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

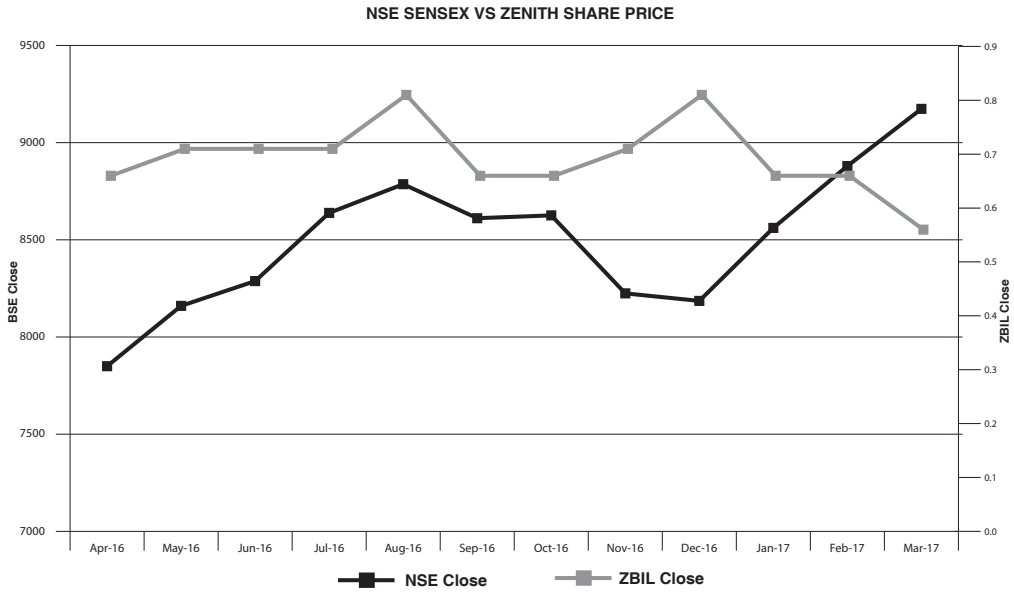
Monthly High/ Low of market price of the Company's shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) during the financial year ended 31st March, 2017 is furnished below:

| Months | NSE | | BSE | | Months | NSE | | BSE | |
|---|---|---|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) | | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2016 | 0.85 | 0.55 | 0.81 | 0.57 | October, 2016 | 0.70 | 0.55 | 0.77 | 0.60 |
| May, 2016 | 0.80 | 0.65 | 0.81 | 0.64 | November, 2016 | 0.75 | 0.55 | 0.72 | 0.57 |
| June, 2016 | 0.80 | 0.55 | 0.74 | 0.59 | December, 2016 | 0.80 | 0.60 | 0.74 | 0.61 |
| July, 2016 | 0.85 | 0.60 | 0.84 | 0.62 | January, 2017 | 0.80 | 0.65 | 0.75 | 0.65 |
| August, 2016 | 0.80 | 0.60 | 0.75 | 0.64 | February, 2017 | 0.80 | 0.60 | 0.77 | 0.66 |
| September,2016 | 0.85 | 0.60 | 0.78 | 0.68 | March, 2017 | 0.70 | 0.50 | 0.69 | 0.54 |

(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.



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




**Registrar & Share Transfer Agents**

For Electronic & Physical Mode : Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Buidling, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (E), Mumbai 400 059
**Tel. Nos**.: 022 62638204
**Mobile No.:** 7045454394
**E.mail**: shubhangi@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.

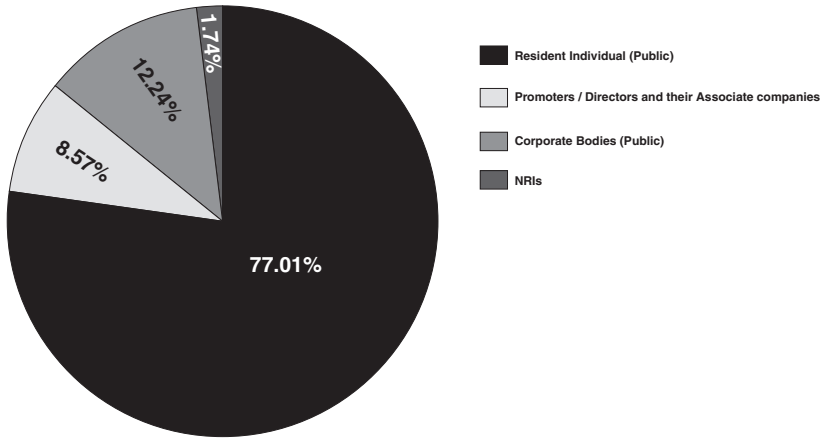
In compliance with Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company obtains a certificate from practicing Company Secretary on a half-yearly basis confirming that all certificates have been issued within one month from the date of lodgments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

**Distribution of Shareholding as on 31st March, 2017**

| No. of Equity Shares held | Total No. of Shareholders | No. of Shares held | Percentage Shareholding In % |
|---|---|---|---|
| 1 to 5000 | 63668 | 4251050 | 3.2381 |
| 5001 to 10000 | 3794 | 3038626 | 2.3146 |
| 10001 to 20000 | 2641 | 4018048 | 3.0607 |
| 20001 to 30000 | 1067 | 2752229 | 2.0965 |
| 30001 to 40000 | 533 | 1943525 | 1.4804 |
| 40001 to 50000 | 593 | 2860267 | 2.1787 |
| 50001 to 100000 | 1031 | 7845947 | 5.9765 |
| 100001 and 9999999999 | 1195 | 104570756 | 79.6545 |
| **Total** | **74522** | **131280448** | **100** |

**Share holding Pattern of the Company as on 31st March, 2017 (including Demat)**

| Categories | No. of Shareholders | No. of shares held | Percentage of total Shares |
|---|---|---|---|
| Promoters / Directors and their Associate companies | 10 | 1,12,57,157 | 8.57 |
| Corporate Bodies (Public) | 438 | 16073607 | 12.2437 |
| NRIs | 317 | 2284330 | 1.74 |
| Banks/ FIs and Insurance Companies | 46 | 425977 | 0.3245 |
| Mutual Funds | 6 | 3665 | 0.0028 |
| Resident Individual (Public) | 73665 | 101109240 | 77.0177 |
| Clearing Members | 30 | 124741 | 0.0950 |
| Trusts | 8 | 1714 | 0.0013 |
| Foreign Companies | - | | |
| FIIs | - | | |
| Unit Trust of India | 2 | 3015 | 0.0023 |
| Government Companies | 1 | 17 | 0.0000 |
| **Total** | | | **100** |



**Shareholding of Non executive Directors of the Company as on 31st March, 2017**

| Name of the Non Executive Directors | No. of shares held | Percentage of total Shares |
|---|---|---|
| Mr. Ashish Mahendrakar | Nil | Nil |
| Mr. Milind Prabhudesai | Nil | Nil |
| Mrs. Minal Pote | Nil | Nil |
| Mr. Pritam Dhanawade | 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 31.03.2017. 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, Maharashastra-410203

**b) Tarapur Unit**
G-38/39, M.I.D.C., Tarapur, Dist. Thane Maharashtra- 401506

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

**d) Trichy Mobile Unit**
SH No. 71, Survey No. 782, Village: Kalugar Thogainmala, Taluka: Kulithalai, Dist: Karur-639 120, Tamil Nadu

for Investor Correspondence and Compliance related query

Address for Correspondence

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

**Equity shares in the suspense account:**

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

| | |
|---|---|
| Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 01.04.2016 | **8** |
| Aggregate No. of Shares are lying in the Suspense Account as on 01.04.2016 | **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 31.03.2017 | **8** |
| Aggregate No. of Shares are lying in the Suspense Account as on 31.03.2017 | **1449** |

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

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

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

Pursuant to sections 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.

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2009-10 are provided hereunder:

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

**46(2)(b) TO (I) OF COMPLIENCECE OF CORPORTE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO27 AND REGULATION LISTING REGULATION**

| Sr. No. | Particulars | Regulation | Compliance status Yes/ No/N.A | Compliance observed for the following |
|---|---|---|---|---|
| 1. | Board of Directors | 17 | Yes | ➢ Composition<br>➢ Meetings<br>➢ Review of compliance report<br>➢ Plans for orderly succession for appointments<br>➢ Code of Conduct<br>➢ Fees/compensation to Non –Executive Directors<br>➢ Minimum information to be placed before the Board<br>➢ Compliance Certificate<br>➢ Risk assessment and management<br>➢ Performance evolution of Independent Directors |
| 2. | Audit Committee | 18 | Yes | ➢ Composition<br>➢ Meetings<br>➢ Power of the Committee<br>➢ Role of the Committee and review of information by the Committee |
| 3. | Nomination and Remuneration Committee | 19 | Yes | ➢ Composition<br>➢ Role of the Committee |
| 4. | Stakeholders' Relationship committee | 20 | Yes | ➢ Composition<br>➢ Role of the Committee |
| 5. | Risk Management Committee | 21 | N.A. | ➢ Composition (Adopted Voluntarily)<br>➢ Role of the Committee |
| 6. | Vigil Mechanism | 22 | Yes | ➢ Formulation of Vigil Mechanism for Directors and employees<br>➢ Director access to Chairperson of Audit Committee |

| Sr. No. | Particulars | Regulation | Compliance status Yes/No/N.A | Compliance observed for the following |
|---|---|---|---|---|
| 7. | Related Party Transaction | 23 | Yes | ➢ Policy on Materiality of Related party Transactions and dealing with Related Party Transactions<br>➢ Approval including omnibus approval of Audit Committee<br>➢ Review of related Party Transactions<br>➢ There were no Material RPT |
| 8. | Subsidiaries of the Company | 24 | Yes | ➢ There was no material subsidiary of the Company and as a result the other compliance in respect of material subsidiary were not applicable<br>➢ Review of financial statements of unlisted subsidiary by the Audit Committee<br>➢ Significant transactions and arrangement of unlisted subsidiary |
| 9. | Obligation with respect to Independent Directors | 25 | yes | ➢ Maximum Directorship and tenure<br>➢ Meeting of Independent Directors<br>➢ Familiarisation of Independent Directors |
| 10 | Obligation with respect to Directors and Senior Managements | 26 | Yes | ➢ Memberships /Chairpersonship in Committees<br>➢ Affirmation on Compliance of Code of Conduct by directors and Senior Management<br>➢ Discloser of shareholding by Non – Executive Directors<br>➢ Discloser by Senior Management about potential conflicts of interest |
| 11. | Other Corporate Governance requirements | 27 | yes | ➢ Compliance with discretionary requirements<br>➢ Filing of quarterly compliance report on Corporate Governance |
| 12. | Website | 46(2)(b) to (i) | Yes | ➢ Terms and conditions for appointment of Independent Directors<br>➢ Composition of various Committees of the Board of Directors<br>➢ Code of Conduct of Board of Directors and Senior Management personnel<br>➢ Details of establishment of Vigil Mechanism/ Whistle Blower policy<br>➢ Policy on dealing with Related Party Transactions<br>➢ Policy for determining material subsidiaries<br>➢ Details of familiarisation programmes imparted to Independent Directors |

## CEO AND CFO CERTIFICATION

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

**Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 on the Audited Financial Statement for the year 2016-17.**

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

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2017 and that to the best of our knowledge and belief:
   I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
2. To the best of our knowledge and belief, there were no transactions entered into by the Company during the year, which were fraudulent, illegal or which violated the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal control for the financial reporting and we have;
   (a) Evaluated the effectiveness of internal control system of the Company pertaining to financial reporting
   (b) Not found any deficiencies in the design or operation of the internal control.
4. We have indicated to the Company's Statutory Auditors, internal auditors and the audit committee of the Board of Directors
   (a) Significant changes that have occurred in the internal control over financial reporting during the year;
   (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
   (c) There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and
   (d) There were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weakness in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there none.
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**

| | **Sd/-** | **Sd/-** |
|---|---|---|
| **Place: Mumbai** | **Pushkar Natu** | **B. Girvanesh** |
| **Date: 30th May, 2017** | **Chief Executive Officer** | **Chief Financial Officer** |

# ANIL SOMANI & ASSOCIATES

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

## SECRETARIAL AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

THE MEMBERS OF
**Zenith Birla (India) Limited**

We have examined the compliance of conditions of Corporate Governance by Zenith Birla (India) Limited for the year ended on 31st March 2017 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement and listing regulations.

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

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

**Date:** 30th May, 2017
**Place:** Bhilwara

# ANIL SOMANI & ASSOCIATES

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

## ANNEXURE - C
## Form No. MR-3 SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

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

**Management's Responsibility for Secretarial Compliance's**

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

**Auditor's Responsibility**

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

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

**Opinion**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017** complied with the statutory provisions listed here-under and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

# ANIL SOMANI & ASSOCIATES

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2017** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ***N. A.***

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***N.A.***

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ***N. A.***

(vi) The Environment (Protection) Act, 1986

(vii) The EPF & Misc. Provisions Act, 1952;

(viii) Employees' state Insurance Act, 1948;

(ix) The Payment of Bonus Act, 1965;

(x) The payment of Gratuity Act, 1972

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

  (i) Secretarial Standards issued by the Institute of Company Secretaries of India;

  (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

# ANIL SOMANI & ASSOCIATES

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

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

- *The company has not filed cost Audit Report for two years, viz., 2014-15 and 2015-16.*
- *The company has defaulted in payment of principal amount of Deposits as well as interest thereon outstanding as on 31.03.2014. The Hon'ble Company Law Board has passed an order on 22.02.2016 granting an extension for payment of the same upto 31.03.2017.The Company has partially complied the above order.*
- *The company has failed to transfer unclaimed shares in a separate demat account.*
- *As informed by the Management, Company has become sick under 'Sick Industrial Companies Act, 1985(SICA)', and pursuant to net worth reported as per Annual Accounts of the year 2014-15, a reference application under section 15(1) of SICA has been made to BIFR on 17.02.2016.*
- *Prosecution has been filed against the company by Registrar of Companies, Mumbai for Non Compliance of order of Hon'ble Company Law Board, Mumbai dated 18.08.2014 with regard to payment to depositors*

**We further report that**

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

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

For **Anil Somani & Associates**
Company Secretaries

**Place:** Bhilwara
**Date:** 30th May, 2017

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

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

# ANIL SOMANI & ASSOCIATES

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

**ANNEXURE - A**

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

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

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

For **Anil Somani & Associates**
Company Secretaries

**Place:** Bhilwara
**Date:** 30th May, 2017

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

## ANNEXURE - D
## Form No. AOC-2

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

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

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

2. **Details of material contracts or arrangement or transactions at arm's length basis: None**

For and on behalf of the Board of Directors of

(Milind Prabhudesai)
Director

(Ashish Mahendrakar)
Director

# ANNEXURE-E

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

**(A) Conservation of energy-**

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

Reorientation of power distribution to minimize losses

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

NIL

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

Nil

**(B) Technology absorption**-

**(i) the efforts made towards technology absorption**;

**Nil**

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution**; Nil

**(ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

N/A

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

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

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

**Nil**

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

**(₹ In Lacs)**

| | **2016-17** | **2015-16** |
|---|---|---|
| **Total Foreign Exchange Earnings (earned)** | 230.40 | 2532.09 |
| **Total Foreign Exchange Outgo (Used)** | 160.75 | 145.84 |

# ANNEXURE-F
# Form No. MGT-9 EXTRACT OF ANNUAL RETURN
# as on the financial year ended on 31/03/2016

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

## I. REGISTRATION AND OTHER DETAILS:

i) **CIN:**-L29220MH19601960PLC011773

ii) **Registration Date**: 05/08/1960

iii) **Name of the Company**: ZENITH BIRLA (INDIA) LIMITED.

iv) **Category / Sub-Category of the Company**: Manufacturing

v) **Address of the registered office and contact details**:

Industry House, 5th Floor, 159, Churchgate Reclamation, Mumbai-400 020. Email: zenith@zenithsteelpipes.com, Website : www.zenithsteelpipes.com Phone : 022-66168400, Fax : 022-22047835

vi) **Whether listed company** Yes

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any :**

Bigshare Services Pvt. Ltd
1st Floor | Bharat Tin Works Building | Opp.Vasant Oasis | Makwana Road
Marol | Andheri (E) Mumbai - 400059| Maharashtra | India.
P : +91 022 62638204
M : +917045454394
Fax: 022-28475207
Shubhangi@bigshareonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

| SL. N0 | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Zenith (USA) Inc. 4950, 34th Street North, Arlington, VA,22207, USA | N.A. | Subsidiary | 100 | 2(87)(ii) |
| 2 | Zenith Middle East FZ LLC. P.O.Box, 4422, Fujairah. | N.A. | Subsidiary | 100 | 2(87)(ii) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholder | | | No. of Shares held at the beginning of the year: 01/04/2016 00:0 | | | | No. of Shares held at the end of the year: 31/03/2017 | | | | % Change |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Demat | Physical | Total Shares | Total % | Demat | Physical | Total Shares | Total % | |
| (A) | Shareholding of Promoter and Promoter Group 2 | | | | | | | | | | |
| Inadian | | | | | | | | | | | |
| | (a) | INDIVIDUAL / HUF | 106018 | 0 | 106018 | 0.08 | 34 | 0 | 34 | 0.00 | (0.08) |
| | (b) | Central / State government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | (c) | BODIES CORPORATE | 12592255 | 0 | 12592255 | 9.59 | 11257123 | 0 | 11257123 | 8.57 | 0 |
| | (d) | FINANCIAL INSTITUTIONS / BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | (e) | ANY OTHERS (Specify) | | | | | | | | | |
| | | (i) GROUP COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | | (ii) TRUSTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | | (iii) DIRECTORS RELATIVES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| **SUB TOTAL (A)(1) :** | | | **12698273** | **0** | **12698273** | **9.67** | **11257157** | **0** | **11257157** | **8.57** | **(1.1)** |
| Foreign | | | | | | | | | | | |
| | (a) | BODIES CORPORATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | (b) | INDIVIDUAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | (c) | INSTITUTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | (d) | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| | (e) | ANY OTHERS (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| **SUB TOTAL (A)(2) :** | | | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** | **0** |
| **Total holding for promoters (A)=(A)(1) + (A)(2)** | | | **12698273** | **0** | **12698273** | **9.67** | **11257157** | **0** | **11257157** | **8.57** | **(1.1)** |
| | | | | | | | | | | | |
| **(B)** | **Public shareholding** | | | | | | | | | | |
| | **Institutions** | | | | | | | | | | |
| | (a) | Central / State government(s) | 17 | 0 | 17 | 0 | 17 | 0 | 17 | 0 | 0 |
| | (b) | FINANCIAL INSTITUTIONS / BANKS | 398209 | 27768 | 425977 | 0.32 | 398209 | 27768 | 425977 | 0.32 | 0 |
| | (c) | MUTUAL FUNDS / UTI | 572 | 3093 | 3665 | 0 | 572 | 3093 | 3665 | 0.0028 | 0 |
| | (d) | VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (e) | INSURANCE COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (f) | FII'S | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (g) | FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (h) | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | (i) | ANY OTHERS (Specify) | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (j) | FOREIGN PORTFOLIO INVESTOR | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (k) | ALTERNATE INVESTMENT FUND | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB TOTAL (B)(1) :** | | | **398798** | | **30861** | **429659** | **0.33** | **398798** | **30861** | **429659** | **0.33** | **0** |
| **Non-institutions** | | | | | | | | | | | | |
| (a) BODIES CORPORATE | | | 14014794 | | 30400 | 14045194 | 10.70 | 16043207 | 30400 | 16073607 | 12.24 | 1.54 |
| (b) INDIVIDUAL | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (i) | (CAPITAL UPTO TO ₹ 1 Lakh) | 24813509 | | 1423667 | 26244239 | 19.99 | 24397496 | 1426116 | 25823612 | 19.67 | (0.32) |
| | (ii) | (CAPITAL GREATER THAN ₹ 1 Lakh) | 75557298 | | 0 | 75557298 | 57.55 | 75285628 | 0 | 25823612 | 57.35 | (0.21) |
| (c) | ANY OTHERS (Specify) | | | | | | | | | | | |
| | (i) | TRUSTS | 1514 | | 0 | 1514 | 0 | 1714 | 0 | 1714 | 0 | 0 |
| | (ii) | CLEARING MEMBER | 126166 | | 0 | 126166 | 0.10 | 124741 | 0 | 124741 | 0.10 | 0 |
| | (iii) | NON RESIDENT INDIANS (NRI) | 2182280 | | 2888 | 2178105 | 1.66 | 2281442 | 2888 | 2284330 | 1.74 | 0.08 |
| | (iv) | DIRECTORS RELATIVES | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (v) | EMPLOYEE | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (vi) | OVERSEAS BODIES CORPORATES | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (vii) | UNCLAIMED SUSPENSE ACCOUNT | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | QUALIFIED FOREIGN INVESTOR | | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB TOTAL (B)(2) :** | | | **116695561** | | **1456955** | **118152516** | **90.00** | **118134228** | **1459404** | **119593632** | **91.1** | **1.1** |
| **Total Public Shareholding (B)=(B)(1) + (B)(2)** | | | **117094359** | | **1487816** | **118582175** | **90.33** | **118533026** | **1490265** | **120023291** | **91.43** | **1.1** |
| | | | | | | | | | | | | |
| **(C)** | **Shares held by Custodians and against which Depository Receipts have been issued** | | | | | | | | | | | |
| (a) | SHARES HELD BY CUSTODIANS | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (i) | Promoter and Promoter Group | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | Public | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB TOTAL (C)(1) :** | | | **0** | **0** | | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **(C)=(C)(1)** | | | | **0** | | | **0** | **0** | **0** | **0** | **0** | **0** |
| **Grand Total (A) + (B) + (C)** | | | **129792632** | **1487816** | | **131280448** | **100** | **129790183** | **1490265** | **131280448** | **100** | **0** |

NOTES:

1) NAME,NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE

Date 21/08/2017

## (ii) SHAREHOLDING OF PROMOTER

| | | Shareholding at the beginning of the year 01/04/2016 | | | Shareholding at the end of the year 31/03/2017 | | | |
|---|---|---|---|---|---|---|---|---|
| **Sr. No** | **NAME** | **Number of Shares** | **% Shares of the Company** | **% of Shares Pledged/ encumbered to total shares** | **Number of Shares** | **% Shares of the Company** | **% of Shares Pledged/ encumbered to total shares** | **% Change in shareholding during the year** |
| 1 | BIRLA BOMBAY PRIVATE LIMITED | 8171397 | 6.2244 | 0.0000 | 8171397 | 6.2244 | 0.0000 | 6.2244 |
| 2 | AISIAN DISTRIBUTORS PRIVATE LIMITED | 141979 | 0.1081 | 0.0000 | 141979 | 0.1081 | 0.0000 | 0.1081 |
| 3 | ARUNKUMAR GANGAPRASAD SINGHI | 34 | 0.0000 | 0.0000 | 34 | 0.0000 | 0.0000 | 0.0000 |
| 4 | BIRLA SHLOKA EDUTECH LIMITED | 694 | 0.0005 | 0.0000 | 694 | 0.0005 | 0.0000 | 0.0000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 5 | BIRLA INDUSTRIES GROUP CHARITY TRUST | 17840 | 0.0136 | 0.0000 | 17840 | 0.0136 | 0.0000 | 0.0000 |
| 6 | SHEARSON INVESTMENT& TRADING CO PVT LTD | 23193 | 0.0177 | 23193.0000 | 23193 | 0.0177 | 0.0000 | 0.0000 |
| 7 | MATRI SEVA SADAN CHARITY TRUST | 31851 | 0.0243 | 0.0000 | 31851 | 0.0243 | 0.0000 | 0.0000 |
| 8 | M/S BIRLA INTERNATIONAL PVT LTD | 45000 | 0.0343 | 45000.0000 | 45000 | 0.0343 | 45000.0000 | 0.0000 |
| 9 | YASH SOCIETY | 75169 | 0.0573 | 0.0000 | 75169 | 0.0573 | 0.0000 | 0.0000 |
| 10 | YASHOVARDHAN BIRLA | 105984 | 0.0807 | 0.0000 | 0 | 0.0000 | 0.0000 | -0.0807 |
| 11 | NIRVED TRADERS PRIVATE LIMITED | 4085132 | 3.1118 | 4085132.0000 | 2750000 | 2.0948 | 0.0000 | -1.0170 |
| | | **12698273** | **9.6727** | **4153325.0000** | **11257157** | **8.5750** | **45000.0000** | **-1.0977** |

## (iii) Change in Promoters' Shareholding

| | Name of Promoter | Share holding at the beginning of the year 01/0 4/2016 | | Share holding at the end of the year 31/03/2017 | | % change in share-holding |
|---|---|---|---|---|---|---|
| | | Number of Shares | % of total shares of the company | Number of Shares | % of total shares of the company | |
| 1. | Nirved Traders Pvt. Ltd. | 4085132 | 3.11 | 2750000 | 2.09 | 1.02 |
| 2. | Yashovardhan Birla | 105984 | 0.08 | 00 | 0.00 | 0.08 |

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

| Sr. No. | NAME | Number of Shares | Percentage of total Shares of the Company | Number of Shares | Percentage of total shares of the company |
|---|---|---|---|---|---|
| 1 | HARBHAJANSINGH MALIKSINGH RAJPAL | | | | |
| | At the beginning of the year | 64,84,114 | 4.94 | 64,84,114 | 4.94 |
| | Purchase of shares on 08.04.2016 | 4100 | 0.00 | 6488214 | 4.94 |
| | Purchase of shares on 15.04.2016 | 16086 | 0.01 | 6504300 | 4.95 |
| | Purchase of shares on 22.04.2016 | 125609 | 0.10 | 6629909 | 5.05 |
| | Purchase of shares on 13.05.2016 | 54392 | 0.04 | 6684301 | 5.09 |
| | Purchase of shares on 20.05.2016 | 80099 | 0.06 | 6764400 | 5.15 |
| | Purchase of shares on 27.05.2016 | 119939 | 0.10 | 6884339 | 5.24 |
| | Purchase of shares on 10.06.2016 | 99600 | 0.08 | 6983939 | 5.32 |
| | Purchase of shares on 17.06.2016 | 3426 | 0.00 | 6987365 | 5.32 |
| | Purchase of shares on 15.07.2016 | 72960 | 0.06 | 7060325 | 5.38 |
| | Purchase of shares on 22.07.2016 | 40000 | 0.03 | 7100325 | 5.41 |
| | Purchase of shares on 29.07.2016 | 107990 | 0.08 | 7208315 | 5.49 |
| | Purchase of shares on 05.08.2016 | 94417 | 0.07 | 7302732 | 5.56 |
| | Purchase of shares on 26.08.2016 | 140000 | 0.11 | 7442732 | 5.67 |
| | Purchase of shares on 16.09.2016 | 79953 | 0.06 | 7522685 | 5.73 |
| | Sale of shares on 10.02.2017 | -100 | 0.00 | 7522585 | 5.73 |
| | Sale of shares on 24.02.2017 | -54861 | 0.04 | 7467724 | 5.69 |
| | At the end of the year | | | 7467724 | 5.69 |
| 2 | SANJAY PURANLAL AGRAWAL | | | | |
| | At the beginning of the year | 5563719 | 4.24 | 5,563,719 | 4.24 |
| | Purchase/ Sales | - | | - | |
| | At the end of the year | | | 5,563,719 | 4.24 |
| 3 | SURESH SHREEMOHAN BAJORIA | | | | |
| | At the beginning of the year | 4410301 | 3.36 | 4410301 | 3.36 |
| | Sale of Shares on 22.04.2016 | -117582 | 0.09 | 4292719 | 3.27 |

| | | | | | |
|---|---|---|---|---|---|
| | Sale of Shares on 29.04.2016 | -22008 | 0.02 | 4270711 | 3.25 |
| | Sale of Shares on 13.05.2016 | -244822 | 0.19 | 4025889 | 3.07 |
| | Sale of Shares on 20.05.2016 | -150043 | 0.11 | 3875846 | 2.95 |
| | Sale of Shares on 27.05.2016 | -151747 | 0.12 | 3724099 | 2.84 |
| | Sale of Shares on 03.06.2016 | -5000 | 0.00 | 3719099 | 2.83 |
| | Sale of Shares on 15.07.2016 | -281950 | 0.21 | 3437149 | 2.62 |
| | Sale of Shares on 22.07.2016 | -506550 | 0.39 | 2930599 | 2.23 |
| | Sale of Shares on 29.07.2016 | -373861 | 0.28 | 2556738 | 1.95 |
| | Sale of Shares on 05.08.2016 | -208526 | 0.16 | 2348212 | 1.79 |
| | Sale of Shares on 12.08.2016 | -1500 | 0.00 | 2346712 | 1.79 |
| | Sale of Shares on 26.08.2016 | -16410 | 0.01 | 2330302 | 1.78 |
| | Sale of Shares on 14.10.2016 | -118450 | 0.09 | 2211852 | 1.68 |
| | Sale of Shares on 21.10.2016 | -131051 | 0.10 | 2080801 | 1.59 |
| | Sale of Shares on 28.10.2016 | -26487 | 0.02 | 2054314 | 1.56 |
| | Sale of Shares on 04.11.2016 | -122154 | 0.09 | 1932160 | 1.47 |
| | Sale of Shares on 11.11.2016 | -4887 | 0.00 | 1927273 | 1.47 |
| | Sale of Shares on 25.11.2016 | -300273 | 0.23 | 1627000 | 1.24 |
| | Sale of Shares on 02.12.2016 | -100000 | 0.08 | 1527000 | 1.16 |
| | Sale of Shares on 30.12.2016 | -25000 | 0.02 | 1502000 | 1.14 |
| | Sale of Shares on 03.02.2017 | -23785 | 0.02 | 1478215 | 1.13 |
| | Sale of Shares on 10.02.2017 | -61850 | 0.05 | 1416365 | 1.08 |
| | Sale of Shares on 17.02.2017 | -58000 | 0.04 | 1358365 | 1.03 |
| | Sale of Shares on 03.03.2017 | -130000 | 0.10 | 1228365 | 0.94 |
| | Sale of Shares on 10.03.2017 | -553365 | 0.42 | 675000 | 0.51 |
| | Sale of Shares on 17.03.2017 | -108737 | 0.08 | 566263 | 0.43 |
| | Sale of Shares on 24.03.2017 | -561263 | 0.43 | 5000 | 0.00 |
| | At the end of the year | | | 5000 | 0.00 |
| 4 | HITESH RAMJI JAVERI | | | | |
| | At the beginning of the year | 4,300,000 | 3.28 | 4,300,000 | 3.28 |
| | Purchase/ Sales | - | - | - | - |
| | At the end of the year | | | 4,300,000 | 3.28 |
| 5 | ENDOGRAM LEASING AND TRADING CO PVT LTD | | | | |
| | At the beginning of the year | 3,923,846 | 2.99 | 3,923,846 | 2.99 |
| | Purchase/ Sales | - | - | - | - |
| | At the end of the year | | | 3,923,846 | 2.99 |
| 6 | GIRISH KUMAR GANERIWALA | | | | |
| | At the beginning of the year | 3706440 | 2.82 | 3,706,440 | 2.82 |
| | Sale of Shares on | -3706440 | 2.82 | 00 | 0.00 |
| | At the end of the year | | | 00 | 0.00 |
| 7 | SUNIL TALWAR | | | | |
| | At the beginning of the year | 2,644,634 | 2.01 | 2,644,634 | 2.01 |
| | Purchase/ Sales | - | - | - | - |
| | At the end of the year | | | 2,644,634 | 2.01 |
| 8. | OVERSKUD MULTI ASSET MANAGEMENT PRIVATE LIMITED | | | | |
| | At the beginning of the year | 1297500 | 0.99 | 1297500 | 0.99 |
| | Sale of Shares on 08.04.2016 | -47500 | 0.04 | 1250000 | 0.95 |
| | Purchase of Shares on 15.04.2016 | 5000 | 0.00 | 1255000 | 0.96 |
| | Purchase of Shares on 29.04.2016 | 123199 | 0.09 | 1378199 | 1.05 |
| | Purchase of Shares on 06.05.2016 | 46646 | 0.04 | 1424845 | 1.09 |
| | Purchase of Shares on 13.05.2016 | 125156 | 0.10 | 1550001 | 1.18 |
| | Purchase of Shares on 20.05.2016 | 42087 | 0.03 | 1592088 | 1.21 |

| | | | | | |
|---|---|---|---|---|---|
| | Purchase of Shares on 27.05.2016 | 197919 | 0.15 | 1790007 | 1.36 |
| | Purchase of Shares on 03.06.2016 | 88509 | 0.07 | 1878516 | 1.43 |
| | Purchase of Shares on 10.06.2016 | 57273 | 0.04 | 1935789 | 1.47 |
| | Purchase of Shares on 17.06.2016 | 21443 | 0.02 | 1957232 | 1.49 |
| | Purchase of Shares on 24.06.2016 | 13712 | 0.01 | 1970944 | 1.50 |
| | Purchase of Shares on 30.06.2016 | 4482 | 0.00 | 1975426 | 1.50 |
| | Purchase of Shares on 01.07.2016 | 5006 | 0.00 | 1980432 | 1.51 |
| | Purchase of Shares on 08.07.2016 | 16803 | 0.01 | 1997235 | 1.52 |
| | Purchase of Shares on 15.07.2016 | 155156 | 0.12 | 2152391 | 1.64 |
| | Purchase of Shares on 22.07.2016 | 49951 | 0.04 | 2202342 | 1.68 |
| | Purchase of Shares on 29.07.2016 | 98631 | 0.08 | 2300973 | 1.75 |
| | Purchase of Shares on 05.08.2016 | 53672 | 0.04 | 2354645 | 1.79 |
| | Purchase of Shares on 12.08.2016 | 21432 | 0.02 | 2376077 | 1.81 |
| | Purchase of Shares on 19.08.2016 | 23921 | 0.02 | 2399998 | 1.83 |
| | Purchase of Shares on 26.08.2016 | 107 | 0.00 | 2400105 | 1.83 |
| | Purchase of Shares on 02.09.2016 | 19076 | 0.01 | 2419181 | 1.84 |
| | Purchase of Shares on 09.09.2016 | 20531 | 0.02 | 2439712 | 1.86 |
| | Purchase of Shares on 16.09.2016 | 8050 | 0.01 | 2447762 | 1.86 |
| | Purchase of Shares on 23.09.2016 | 2238 | 0.00 | 2450000 | 1.87 |
| | Purchase of Shares on 02.12.2016 | 50000 | 0.04 | 2500000 | 1.90 |
| | At the end of the year | | | 2500000 | 1.90 |
| 9 | AGRAWAL SUDHA SANJAY | | | | |
| | At the beginning of the year | 2,484,863 | 1.89 | 2,484,863 | 1.89 |
| | Purchase of shares on 10.03.2017 | 500 | 0.00 | 2485363 | 1.89 |
| | Purchase of shares on 24.03.2017 | 1500 | 0.00 | 2486863 | 1.89 |
| | At the end of the year | | | 2,484,863 | 1.89 |
| 10 | HARSHA HITESH JAVERI | | | | |
| | At the beginning of the year | 2,200,000 | 1.68 | 2,200,000 | 1.68 |
| | Purchase/ Sales | - | - | - | - |
| | At the end of the year | | | 2,200,000 | 1.68 |
| 11 | VSS METALS PRIVATE LIMITED | | | | |
| | At the beginning of the year | 1,721,041 | 1.31 | 1,721,041 | 1.31 |
| | Purchase/ Sales | - | - | - | - |
| | At the end of the year | | | 1,721,041 | 1.31 |
| 12 | THIAGARAJAN ARAVAMUDAN | | | | |
| | At the beginning of the year | 1445000 | 1.10 | 1445000 | 1.10 |
| | Purchase of shares 15.04.2016 | 1 | 0.00 | 1445001 | 1.10 |
| | Purchase of shares 22.04.2016 | 50 | 0.00 | 1445051 | 1.10 |
| | Purchase of shares 29.04.2016 | 11174 | 0.01 | 1456225 | 1.11 |
| | Purchase of shares 06.05.2016 | 10850 | 0.01 | 1467075 | 1.12 |
| | Purchase of shares 02.09.2016 | 7925 | 0.01 | 1475000 | 1.12 |
| | Purchase of shares 16.09.2016 | 7204 | 0.01 | 1482204 | 1.13 |
| | Purchase of shares 07.10.2016 | 10296 | 0.01 | 1492500 | 1.14 |
| | Purchase of shares 09.12.2016 | 7500 | 0.01 | 1500000 | 1.14 |
| | Purchase of shares 17.03.2017 | 10000 | 0.01 | 1510000 | 1.15 |
| | Purchase of shares 24.03.2017 | 10000 | 0.01 | 1520000 | 1.16 |
| | At the end of the year | | | 1520000 | 1.16 |

(v) Shareholding of Directors and Key Managerial **Personnel:**

| Sl. No. | Directors | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **Mr. Pritam Dhanawade** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 2 | **Mr. Ashish Mahindrakar** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 3 | **Mr. Milind Prabhudesai** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 4 | **Mrs. Minal Pote** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |

| Sl. No. | KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **Mr. Pushkar Natu (CEO)** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 2 | **Mr. Vimal Prakash Dubey (Upto July'16) Suneel Sullere (Company Secretary)** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 3 | **Mr. B. Girvanesh (CFO)** | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | Sales / Purchase | - | - | - | - |
| | At the End of the year | - | - | - | - |

## V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 23529.20 | 0 | 2820.51 | 26349.46 |
| ii) Interest due but not paid | 1935.11 | 0 | 1181.29 | 3116.9 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | **25464.31** | **0** | **4002.05** | **29466.36** |
| Change in Indebtedness during the financial year<br>• Addition<br>• Reduction | 160.75<br>620.35 | 0 | 254.18<br>226.37 | 414.93<br>846.47 |
| **Net Change** | **(459.60)** | **0** | **28.06** | **(431.54)** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 24843.96 | 0 | 2594.14 | 27438.10 |
| ii) Interest due but not paid | 160.75 | 0 | 1435.97 | 1596.72 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | **25004.71** | **0** | **4030.11** | **29034.82** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Not Applicable)

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---|---|---|---|
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Not Applicable | |
| 2. | Stock Option | | |
| 3. | Sweat Equity | | |
| 4. | Commission<br>- as % of profit<br>- others, specify… | | |
| 5. | Others, please specify | | |
| | Total (A) | | |
| | Ceiling as per the Act | | |

**Remuneration to other directors:**

| Sr. No. | Particulars of Remuneration | Ashish Mahendrakar | Milind Prabhudesai | Pritam Dhanawade | Minal Pote | Total Amount |
|---|---|---|---|---|---|---|
| | 1. Independent Directors<br>• Fee for attending board committee meetings | 0 | 60,000/- | 0 | 60,000/- | 1,20,000/- |
| | • Commission | 0 | 0 | 0 | 0 | 0 |
| | • Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | **Total (1)** | **0** | **60,000/-** | **0** | **60,000/-** | **1,20,000/-** |
| | 2. Other Non-Executive Directors<br>• Fee for attending board committee meetings | 60,000/- | 0 | 40,000/- | 0 | 1,00,000/- |
| | • Commission | 0 | 0 | 0 | 0 | 0 |
| | • Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | **Total (2)** | **60,000/-** | **0** | **40,000/-** | **0** | **1,00,000/-** |
| | **Total (B)=(1+2)** | **60,000/-** | **60,000/-** | **40,000/-** | **60,000/-** | **2,20,000/-** |
| | **Total Managerial Remuneration (A+B)** | | | | | **2,20,000/-** |
| | **Overall Ceiling as per the Act** | | | | | ***N.A.** |

Note: As the Directors are paid setting fees only for attending Board Meeting which does not Form the Part of Managerial Remuneration U/S 198 of the Act, the overall ceiling not applicable.

## B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 2712732 | 231319*<br>365697** | 1152912 | 4462660 |
| | | - | - | - | - |
| | | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | **Total** | **2712732** | **597016** | **1152912** | **4462660** |

* Suneel Sullere appointed w.e.f. August 2016

** Vimal Dubey upto July 2016

| | | Penalties | Punishment | Compounding of Offences | Details/ of Penalty | Authority | |
|---|---|---|---|---|---|---|---|
| | | Type | Section of the Companies Act | Brief Description | Punishment Compound- ing fees imposed | RD NCLT Court | Appeal made if any |
| **A** | **COMPANY Compounding** | | | | | | |
| | 1 | | 303(1) | Inspection of Books of accounts u/s 209( A) | 50000 | CLB | N.A. |
| | 2 | | 211(1) | Company ought to disclose the amount of unsecured loans falling due for repayment in Balance Sheet | 10000 | CLB | N.A. |
| | 3 | | 217(3) | Non-Compliance of AS-2 | 10000 | CLB | N.A |
| | 4 | | 217(1)(e) | Directors did not provided the details pertaining to goods / services exported | 20000 | CLB | N.A. |
| | 5 | | 211(3A) | Non Disclosure of Key Managerial Personnel by the Company | 10000 | CLB | N.A. |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 6 | | 211(1) | Company ought to disclose the amount of unsecured loans falling due for repayment in Balance Sheet | 10000 | CLB | N.A. |
| | 7 | | 209(1) | In respect of Company's divisions at Tungabhadra Division at Tarapur and Murbad Fixed register not updated | 10000 | CLB | N.A. |
| | 8 | | 211(3A) | Non Disclosure of Key Managerial Personnel by the Company | 10000 | CLB | N.A. |
| **B** | **Directors Compounding** | | | | | | |
| | 1 | **Mr. M. S. Arora** | 303(1) | Inspection of Books of accounts u/s 209( A) | 10000 | CLB | N.A. |
| | 2 | | 211(1) | Company ought to disclose the amount of unsecured loans falling due for repayment in Balance Sheet | 5000 | CLB | N.A |
| | 3 | | 217(3) | Non-Compliance of AS-2 | 5000 | CLB | N.A |
| | 4 | | 217(1)(e) | Directors did not provided the details pertaining to goods / services exported | 10000 | CLB | N.A. |
| | 5 | | 209(1) | In respect of Company's divisions at Tungabhadra Division at Tarapur and Murbad Fixed register not updated | 10000 | CLB | N.A. |
| | 6 | | 211(3A) | Non Disclosure of Key Managerial Personnel by the Company. | 10000 | CLB | N.A. |
| **C** | **Other Officers In Default Compounding** | | | | | | |
| | 1 | **Harsha Kedia Company Secretary** | 303(1) | Inspection of Books of accounts u/s 209( A) | 25000 | CLB | N.A. |
| | 2 | | 211(1) | Company ought to disclose the amount of unsecured loans falling due for repayment in Balance Sheet | 5000 | CLB | N.A. |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 3 | | 217(3) | Non-Compliance of AS-2 | 5000 | CLB | N.A |
| | 4 | | 217(1)(e) | Directors did not provided the details pertaining to goods / services exported | 10000 | CLB | N.A |
| | 5 | | 209(1) | In respect of Company's divisions at Tungabhadra Division at Tarapur and Murbad Fixed register not updated | 10000 | CLB | N.A |
| | 6 | | 211(3A) | Non Disclosure of Key Managerial Personnel by the Company. | 10000 | CLB | N.A. |

**By Order of the Board**

**Milind Prabhudesai**
***Director***
**DIN.07820962**

**Ashish Mahendrakar**
***Director***
**DIN.03584695**

**Date: 1st September, 2017**
**Place: Mumbai**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of ZENITH BIRLA (INDIA) LIMITED**
**Report on the Financial Statements**

We have audited the accompanying (Standalone) financial statements of **ZENITH BIRLA (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the (Standalone) Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 (Standalone) financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the (Standalone) financial statements

**Basis for Qualified Opinion**

1. With reference to Note No. 44 regarding the non provision by the Company of the interest amounting to ₹38.36

crores for the year and ₹136.52 crores upto 31-03-2017 on its working capital facilities from banks. Had this amount been provided for, the loss would have been higher by ₹38.36 crores and the secured loans would have been cumulatively higher by ₹136.52 crores.

2. The Company has not complied with the provisions of the section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.

3. With reference to Note No. 42 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, deposits, inter units etc being not confirmed by the parties/units and hence our inability to state whether these balance are recoverable/payable to the extent stated.

4. With reference to Note No. 48 which indicates that the Company has accumulated losses exceeding the Share Capital and Reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the matters described in the basis for Qualified Opinion paragraph the aforesaid (Standalone) 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, of the state of affairs of the Company as at March 31, 2017, and its Loss and its Cash Flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31,2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position. except for the action initiated under Securitisation Reconstruction of financial Assets and Enforcement of Security Interest Act , 2002 by the Banks.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company had provided requisite disclosure in the standalone financial statements as regards its holding and dealing in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audited procedures performed and the representation provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note no. 49 disclosure on Specified Bank Notes (SBN).

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, and issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm's registration number:000038N
C V PARAMESWAR
Partner
Membership number: 011541

Place: MUMBAI
Date: 30.05.2017

**"Annexure A" to the Independent Auditor's Report of even date on the Standalone Financial Statements of ZENITH BIRLA (INDIA) LIMITED**

(Referred to in paragraph 1(f) under 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017)

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

We have audited the internal financial controls over financial reporting of **ZENITH BIRLA (INDIA) LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm's registration number:000038N
C V PARAMESWAR
Partner
Membership number: 011541

Place: MUMBAI
Date: 30.05.201

**"Annexure B"**

**To the Independent Auditor's Report on the Standalone Financial Statements of ZENITH BIRLA (INDIA) LIMITED**

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017):

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets; However, the records need to be updated.

   (b) The Fixed Assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which in our opinion is reasonable having regard to the size of the Company and nature of its assets As per the information given to us no material discrepancy was noticed on such verification.

   (c) As per the information and explanations provided to us, title deeds of immovable properties are generally in the name of the Company except in the case of 2 freehold properties valued at ₹453.73 lacs.

2) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3) The Company has granted unsecured loans in the earlier years to eleven Companies covered in the register maintained under section 189 of the Companies Act, 2013;

   (a) The terms and conditions of such loan are not prejudicial to the Company's interest.

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

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

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security, where applicable.

5) In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the directives issued by the Reserve Bank of India, the provisions of section 74 or any other relevant provisions of the Act and the rules framed thereunder, with regard to the deposits accepted from the public, we have to state that these have not been complied with in respect to non repayment of deposits and interest on due date and maintenance of liquid assets to the extent required as per Rule 13 of the Companies (Acceptance of Deposits) Rules, 2014. The Company has also not fully complied with the orders passed by Company Law Board.

6) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub section (i) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

7) (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion except for dues in respect of Dividend Distribution Tax, Tax Deducted at Source, Professional Tax, Tax Collected at Source, Service Tax, Provident Fund, Sales Tax, Labour Welfare Fund, Value Added Tax, Excise Duty and Corporation Tax the Company is generally regular in depositing the undisputed

statutory dues including Custom Duty, Cess and other material statutory dues, as applicable. The following balances remain in arrears as at the last day of the financial year for a period exceeding six months from the date they become payable :

| Nature of Due | Amount Outstanding (₹) |
|---|---|
| Income Tax Deducted at Source | 50,97,966 |
| Income Tax Collected at Source | 1,26,126 |
| Sales Tax / Central Sales Tax | 66,90,682 |
| Provident Fund | 25,41,754 |
| Labour Welfare Fund | 17,845 |
| Professional Tax | 47,426 |
| Service Tax | 33,07,872 |
| Value Added Tax | 77,21,508 |
| Excise Duty | 49,092 |
| Dividend Distribution Tax | 3,59,08,091 |
| Interest on Dividend Distribution Tax | 2,26,22,097 |
| Corporation Tax | 3,863 |

(b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Service tax. The particulars of dues of Custom Duty, Excise Duty, Sales Tax, Value Added tax and Income tax as at March 31, 2017, which have not been deposited on account of disputes, are as follows:

| Name of the statute | Nature of Dues | Period to which the matter pertains to | Forum where dispute is pending | Amount (₹ In Lacs) |
|---|---|---|---|---|
| Custom Act, 1962 | Custom Duty | 1985-86 | High Court | 03.45 |
| | | 1998-99 | Tribunal | 82.00 |
| Central Excise Act, 1959 | Excise Duty | 1995-96 | Commissioner Appeal | 129.78 |
| Central Sales Tax Act, 1956 | Central Sales Tax | 1995-96 | Tribunal | 78.88 |
| Maharashtra Value Added Tax, 2002 | Value Added Tax | 2006-07 | Joint Commissioner Appeal | 8,181.18 |
| | | 2007-08 | Joint Commissioner Appeal | 2,577.63 |
| | | 2009-10 | Joint Commissioner Appeal | 6,215.77 |
| Income Tax Act, 1961 | Income Tax | 2008-09 | CIT (Appeal) | 2,545.08 |
| | | 2009-10 | CIT (Appeal) | 102.01 |
| | | 2010-11 | CIT (Appeal) | 1,108.80 |
| | | 2011-12 | CIT (Appeal) | 189.88 |
| | | 2013-14 | CIT (Appeal) | 2.18 |

8) According to the records of the Company examined by us and the information and explanations given to us, there has been default in payments to the banks since August 2012 and the Company's outstanding as at 31st March 2017 as per the notice received from the banks is ₹22817.89 lacs plus interest of ₹13651.62 lacs for the period upto 31st March 2017.

The lender wise details are as under:

| Name of Lender | Amount of default (₹ in lacs) |
|---|---|
| State Bank of India | 15665.43 |
| Punjab National Bank | 451.80 |
| Bank of Baroda | 1329.87 |
| Oriental Bank of Commerce | 1871.51 |
| Bank of India (since assigned to Edelweiss ARC) | 2264.81 |
| Punjab National Bank (Term Loan) | 1234.46 |

9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and not availed term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) In our opinion and according to the information and explanations given to us, the Company has not paid/ provided managerial remuneration. Hence the provisions of clause 3(xi) of the order are not applicable to the Company.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For, THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm's registration number:000038N
C V PARAMESWAR
Partner
Membership number: 011541

Place: MUMBAI
Date: 30.05.2017

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

| **Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [ See regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]** | | | | |
|---|---|---|---|---|
| | **Sl. No.** | **Particulars** | **Audited Figures ₹ in lacs (as reported before adjusting for qualifications)** | **Adjusted Figures ₹ in lacs (audited figures after adjusting for qualifications)** |
| I | 1. | Turnover/ Total Income | 8659 | 8659 |
| | 2. | Total Expenditure | 12045 | 15881 |
| | 3. | Net Profit/(Loss) | (3386) | (7222) |
| | 4. | Earnings Per Share (Rupees) | (2.58) | (5.50) |
| | 5. | Total Assets | 34452 | 34452 |
| | 6. | Total Liabilities | 42327 | 55979 |
| | 7. | Net Worth | (7875) | (21527) |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |

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

**a. Details of Audit Qualification:**

i. Note No. 44 regarding the non provision by the Company of the interest amounting to ₹38.36 crores for the year and ₹136.52 crores being the aggregate upto date on its working capital/ term loan facilities from banks during the year. Had this amount been provided for the loss would have been higher by ₹38.36 crores for the year and cumulatively ₹136.52 crores and secured loans would have been higher by an amount of ₹136.52 crores in the aggregate.

ii. Note No. 42 regarding the balances of Sundry Creditors, Debtors, Loans and advances, deposits, inter- units etc being not confirmed by the parties/ units and hence our inability to state whether these balances are recoverable/ payable to the extent stated.

iii. The Company has not complied with the provisions of Section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.

iv. The Company has prepared its accounts on a going concern basis though its net worth is fully eroded for reasons stated in Note No. 48

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

**c. Frequency of Qualification**

Qualification no. i & ii are appearing for the fourth time. Qualification No. iii is appearing for the fifth time. Qualification number iv is appearing for the third time.

**d. For Audit Qualification(s)where the impact is quantified by the auditor, Management views:**
The Company is trying for One Time Settlement (OTS) with the banks. Hence, it is felt prudent for not providing for interest after the accounts became NPA.

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

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

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

**For qualification on balances of sundry creditors:** Reconciliation of balances of sundry creditors are an ongoing basis and the figures would be ascertained only when the reconciliation is finalised. Hence at this stage, impact of the same is not ascertainable.

**For qualification on non compliance of section 74(2) of the Companies Act, 2013:**
The company has taken on priority to clear the dues of deposit holders who are incapacitated and to comply with the orders of existing authorities. For the rest the company has already started the process of settling their dues and will complete it before the end of Financial year 2017-18. The company has provided interest upto 31.03.2017

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

**Auditors' Comments on (i) or (ii) above**
No further comments.

| | | |
|---|---|---|
| III | **Signatories:** | |
| | • **CEO / ~~Managing Director~~:** | **: ( Mr Pushkar Natu)** |
| | • **CFO** | **: ( Mr B. Girvanesh)** |
| | • **Audit Committee Chairman** | **: (Mr Milind Prabhudesai)** |
| | • **Statutory Auditor** | **: ( C.V. Parameswar) (M/s Thakur, Vaidyanath Aiyar & Partner Co. Chartered Accountants, Mumbai)** |
| | **Place: Mumbai**<br>**Date: 30.05.2017** | |

## BALANCE SHEET AS AT 31ST MARCH, 2017

**(₹ in Lacs)**

| Particulars | Note No. | As at 31 March, 2017 | As at 31 March, 2016 |
|---|---|---|---|
| I. **EQUITY AND LIABILITIES** | | | |
| 1. **Shareholders' Funds** | | | |
| (a) Share Capital | 1 | **13,128.04** | 13,128.04 |
| (b) Reserves and Surplus | 2 | **(21,002.96)** | (17,583.13) |
| | | **(7,874.92)** | **(4,455.09)** |
| 2. **Non-Current Liabilities** | | | |
| (a) Long-Term borrowings | 3 | **2,195.98** | 2,215.66 |
| (b) Deferred Tax Liabilities (Net) | 4 | **504.86** | 504.86 |
| (c) Other Long-Term Liabilities | 5 | **1,211.43** | 1,211.30 |
| (d) Long-Term Provisions | 6 | **600.81** | 617.38 |
| | | **4,513.08** | **4,549.20** |
| 3. **Current Liabilities** | | | |
| (a) Short Term Borrowings | 7 | **21,055.15** | 21,055.15 |
| (b) Trade Payables | 8 | **5,738.38** | 3,160.97 |
| (c) Other Current Liabilities | 9 | **10,037.51** | 9,850.26 |
| (d) Short-Term Provisions | 10 | **982.81** | 933.50 |
| | | **37,813.85** | **34,999.88** |
| **TOTAL** | | **34,452.01** | **35,093.99** |
| II. **ASSETS** | | | |
| **Non-Current Assets** | | | |
| 1. (a) **Fixed Assets** | 11 | | |
| (i) Tangible Assets | | **9,190.93** | 9,713.61 |
| (ii) Intangible Assets | | **7.33** | - |
| (iii) Capital work-in-progress | | **1,270.46** | 1,325.73 |
| (b) Non-Current Investments | 12 | **260.59** | 260.59 |
| (c) Long-Term Loans and Advances | 13 | **677.72** | 975.39 |
| | | **11,407.03** | **12,275.32** |
| 2. **Current Assets** | | | |
| (a) Inventories | 14 | **1,294.39** | 1,879.55 |
| (b) Trade receivables | 15 | **2,965.55** | 1,457.90 |
| (c) Cash and Cash Equivalents | 16 | **330.66** | 415.55 |
| (d) Short-Term Loans and Advances | 17 | **18,454.38** | 19,065.67 |
| | | **23,044.98** | **22,818.67** |
| **TOTAL** | | **34,452.01** | **35,093.99** |
| **Significant Accounting Policies** | | | |
| **Notes on Financial Statements** | 1 to 50 | | |

As Per Our Attached Report of Even Date
**For Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Pushkar Natu**
Chief Executive Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

**Ashish Mahendrakar**
Director
DIN. 03584695

**B.Girvanesh**
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lacs)

| Particulars | Note No. | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|---|---|---|
| I. **INCOME** | | | |
| Revenue From Operations (gross) | 19 | **9,106.11** | 8,087.70 |
| Less : Excise Duty | | **521.88** | 583.21 |
| | | **8,584.23** | **7,504.49** |
| II. Other Income | 20 | **75.21** | 2,176.54 |
| III. **Total Revenue (I + II)** | | **8,659.44** | **9,681.03** |
| IV. **EXPENSES** | | | |
| Cost of Materials consumed | 21 | **7,274.67** | 5,968.67 |
| Purchase of Stock in Trade | 22 | **46.88** | - |
| Changes in Inventories of Finished Goods, | | | |
| Work-in-Progress and Stock-in-Trade | 23 | **(40.65)** | 244.01 |
| Employee Benefits expenses | 24 | **586.68** | 628.71 |
| Finance Costs | 25 | **744.58** | 991.63 |
| Depreciation and Amortization Expenses | 11 | **623.59** | 610.69 |
| Other Expenses | 26 | **2,797.25** | 4,354.58 |
| **Total Expenses** | | **12,033.00** | **12,798.29** |
| V. **PROFIT BEFORE TAX** | | **(3,373.56)** | **(3,117.26)** |
| VI. **Tax Expenses** | | | |
| (a) Current Tax | | **-** | - |
| (b) Deferred Tax | | **-** | - |
| | | **-** | **-** |
| VII. **PROFIT FOR THE YEAR (V -VI)** | | **(3,373.56)** | **(3,117.26)** |
| Prior Period Expenses | | **12.22** | 143.97 |
| Exceptional Items (Advances related to Discontinued Project Written off) | | **-** | - |
| VIII **Profits Transferred to Reserves and Surplus** | | **(3,385.78)** | **(3,261.23)** |
| Earning per Equity Share of face value of ₹10 each | | | |
| Basic and Diluted (in ₹) | | **(2.58)** | **(2.48)** |
| **Significant Accounting Policies** | | | |
| **Notes on Financial Statements** | 1 to 50 | | |

As Per Our Attached Report of Even Date
**For Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

## CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| **Net Profit before Tax as per Profit and Loss Account** | **(3,373.56)** | (3,117.26) |
| **Add/(Deduct):** | | |
| a) Depreciation and Amortisation expense | **623.59** | 610.69 |
| b) (Profit)/ Loss on Sale / Discard of Assets (Net) | **-** | - |
| c) Finance Cost | **744.58** | 991.63 |
| d) Interest Income | **-** | - |
| e) Dividend Income | **-** | - |
| f) Net gain on sale of Investment (Net) | **-** | - |
| g) Prior period items | **(12.22)** | (143.97) |
| h) Adj. in Gen Res. Of old liab | **(34.05)** | - |
| | **1,321.90** | 1,458.35 |
| **Operating Cash Profit before Working Capital Changes** | **(2,051.66)** | (1,658.91) |
| **Add/(Deduct):** | | |
| a) Trade and other Receivables | **(598.69)** | 1,613.50 |
| b) Inventories | **585.15** | (562.18) |
| c) Trade and Payables | **2,797.53** | 560.06 |
| | **2,783.99** | 1,611.38 |
| **CASH GENERATED FROM OPERATIONS** | **732.33** | (47.53) |
| **Add: Tax Payments** | **-** | - |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | **732.33** | (47.53) |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| **Inflow** | | |
| a) Sale of Fixed Assets | **-** | - |
| b) Sale of Current Investments (Net) | **-** | - |
| c) Dividend from Current Investments | **-** | - |
| d) Net gain on sale of Investment (Net) | **-** | - |
| e) Inter Corporate Deposits and Loans (Including Interest) (Net) | **(0.00)** | 884.82 |
| | **(0.00)** | 884.82 |
| **Outflow** | | |
| a) Acquisition of Fixed Assets | **246.65** | 147.48 |
| b) Investment in other Long Term Investments | **-** | - |
| c) Purchase of Current Investments (Net) | **-** | - |
| d) Inter Corporate Deposits and Loans (Including Interest) (Net) | **-** | - |
| | **246.65** | 147.48 |
| **NET CASH FLOW FROM INVESTING ACTIVITIES** | **(246.65)** | 737.34 |
| **C. CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Inflow | | |
| a) Increase in Share Capital after ignoring non Cash | **-** | - |
| b) Borrowings (Net of repayments) | **174.00** | 620.03 |
| | **174.00** | 620.03 |

| | | | |
|---|---|---|---|
| | **Outflow** | | |
| | a) Finance Charges (Net) | **744.58** | 991.63 |
| | b) Dividend paid | **-** | - |
| | c) Borrowings (Net of repayments) | **-** | - |
| | d) Share Issue Expenses | **-** | - |
| | e) Assets W.off of Discontinued Project | **-** | - |
| | | **744.58** | 991.63 |
| | **NET CASH FLOW FROM FINANCING ACTIVITIES** | **(570.58)** | (371.60) |
| **D.** | **Exceptional Items ( Advances related to Discontinued Project Written off )** | **0.00** | |
| | **NET INCREASE/ ( DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)** | **(84.90)** | 318.20 |
| | **CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR** | **415.50** | 97.30 |
| | **CASH AND CASH EQUIVALENTS AS AT YEAR END** | **330.60** | 415.50 |
| | Reconciliation of Cash and Cash Equivalents as at year end:- | | |
| | Cash and Cash Equivalents as per Note No. 16 | **330.65** | 415.55 |
| | Less: Balance in Fixed Deposit accounts kept as margin money with the bankers | **(0.05)** | (0.05) |
| | | **330.60** | 415.50 |

As Per Our Attached Report of Even Date
**For Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS.42922

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

| | Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|---|
| **1.** | **SHARE CAPITAL** | | |
| | **AUTHORISED:** | | |
| | 15,55,00,000 Equity Share of ₹10/- each | **15,550.00** | 15,550.00 |
| | (15,55,00,000) | | |
| | **ISSUED, SUBSCRIBED & FULLY PAID UP** | | |
| | 13,12,80,448 Equity Share of ₹10/- each | **13,128.04** | 13,128.04 |
| | (13,12,80,448) | | |
| | **TOTAL** | **13,128.04** | 13,128.04 |

| | | | | | |
|---|---|---|---|---|---|
| 1.1 | **The reconciliation of the number of shares outstanding is set out below:** | **No. of Shares** | | No. of Shares | |
| | Shares outstanding at the beginning of the year | **131,280,448** | | 131,280,448 | |
| | **Shares outstanding at the end of the year** | **131,280,448** | | 131,280,448 | |
| | | **No.Of Shares** | **% Held** | No. of Share | % held |
| 1.2 | **The details of Shareholders holding more than 5% share** | | | | |
| | **Birla Bombay Pvt. Ltd.** | **8171397** | **6.22** | 8171397 | 6.22 |
| | **Harbhajansingh Maliksingh Rajpal** | **7467724** | **5.69** | 6484114 | 4.93 |

1.3 On 10-01-2011 the Company issued 1,08,10,000 Convertible Equity Share Warrants which were convertible into 1 Equity Share of ₹10 each at a price calculated in accordance with SEBI regulation. 25% of the issue price was payable at the time of allotment of warrants and the balance 75% at the time of allotment of Equity Shares. On 25-03-2011, 15,60,000 warrants were converted into Equity Shares. The remaining 92,50,000 warrants were converttible into Equity Share before 09-07-2012.

| | | | |
|---|---|---|---|
| **2.** | **RESERVES AND SURPLUS** | | |
| **1.** | **Securities Premium Reserve** | | |
| | Balance as per last account | **14,308.30** | 14,308.30 |
| **2.** | **General Reserve:** | | |
| | Forfeiture of Money received against Share Warrant | **494.88** | 494.88 |
| | Balance as per last Account | **57.24** | 91.29 |
| **3.** | **Surplus in Statement of Profit and Loss** | **-** | - |
| | Balance as per last account | **(32,477.60)** | (29,216.37) |
| | **Add:** Net Profit for the current year | **(3,385.78)** | (3,261.23) |
| | **Closing Balance** | **(35,863.38)** | (32,477.60) |
| | **TOTAL** | **(21,002.96)** | (17,583.13) |

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

| Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|
| **3. LONG TERM BORROWINGS** | | |
| **Secured (**Refer Note**)** | | |
| (a) **Term Loans** | | |
| From Banks | **1,390.59** | 1,401.52 |
| From Others | **-** | - |
| (b) Long term maturities of finance lease obligations | **-** | - |
| **SUB TOTAL A** | **1,390.59** | 1,401.52 |

**Note : Terms of Borrowing**

| SN | Nature of Security | Original Amt of Borrowing (₹ in Lacs) | Tenor of Inception (₹ in Lacs) | Terms of Repayment | Month in which last installment is due | Repayment schedule installments (₹ in Lacs) | Balance as on 31st March 2017 | Balance as on 31st March 2016 |
|---|---|---|---|---|---|---|---|---|
| 1 | Term Loan from Bank is secured by mortgage of thane office building against which the loan has been taken | 300 | 10 | Monthly | Dec-14 | 1.15 | 158.95 | 164.28 |
| 2 | Loan from other is secured by first charge (hypothecation) of all movable assest, including specific plant and machinery purchased out of this term loan with a second charge over these assets to existing working capital bankers, and second charge (hypothecation) on overall existing movable and immovable assets including plant and machinery. | 5625 | 8.5 | Quarerly | Jul-15 | 153 | 2398.22 | 2453.49 |
| 3 | The term loan shall be secured by first pari-passu charge on all assets funded under the proposed capex plan and second charge on all existing movable and immovable assets of the company (exclusive all movable asstes charges to fmo on exclusive basis) | 1125 | 8.5 | Quarerly | Feb-19 | 51.13 | 1231.64 | 1237.24 |
| 4 | Loan term maturities of finance lease obligationsare secured by hypothecation of specific vehicles against which the loan has been taken. | 33.76 | 3-4 | Monthly | Jun-16 | 0.97 | - | 5.60 |
| | **Sub-total** | | | | | | **3788.811** | **3860.61** |
| | Less : current maturities of long term debt {refer note 9 (a)} | | | | | | 2398.22 | 2459.09 |
| | **Total** | | | | | | **1390.59** | **1401.52** |

| | | | |
|---|---|---|---|
| **Unsecured** | | | |
| (a) Deferred payment Liabilities | | **150.00** | 150.00 |
| (b) Deposits | | **-** | - |
| **(c)** Loans and Advances | | **655.39** | 664.14 |
| **SUB TOTAL B** | | **805.39** | 814.14 |
| **TOTAL A+B** | | **2,195.98** | 2,215.66 |

**NOTES TO THE FINANCIAL STATEMENTS**

**(₹ in Lacs)**

| | Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|---|
| **4.** | **DEFERRED TAX LIABILITY (NET)** | | |
| | **Deferred Tax Liability** | | |
| | On account of Depreciation | **671.15** | 671.15 |
| | **Deferred Tax Assets** | | |
| | Disallowance under the Income Tax Act, 1961 | **166.29** | 166.29 |
| | **TOTAL** | **504.86** | 504.86 |
| **5.** | **OTHER LONG TERM LIABILITIES** | | |
| | (a) Others (includes ₹25.50 lacs due to related parties) | **1,211.43** | 1,211.30 |
| | **TOTAL** | **1,211.43** | 1,211.30 |
| **6.** | **LONG TERM PROVISIONS** | | |
| | (a) Provision for Employee Benefits | | |
| | Gratuity | **265.82** | 278.54 |
| | Leave Encashment | **40.88** | 44.73 |
| | (b) Provision for Contingencies | **294.11** | 294.11 |
| | **TOTAL** | **600.81** | 617.38 |
| **7.** | **SHORT TERM BORROWINGS** | | |
| | Loans repayable on demand | | |
| | (a) From Banks | **21,055.15** | 21,055.15 |
| | Loans repayable on demand from Banks are secured by hypothecation of inventories and /or book debts and export incentives recoverable etc. and collaterally secured by way of first charge on the fixed assets. | | |
| | (b) From Others | **-** | - |
| | **TOTAL** | **21,055.15** | 21,055.15 |
| **8.** | **TRADE PAYABLES** | | |
| | (a) Micro, Small and Medium Enterprises (*) | **-** | - |
| | (b) Others (including ₹3,657.10 Lacs due to related parties) | **5,738.38** | 3,160.97 |
| | **TOTAL** | **5,738.38** | 3,160.97 |
| | (*) There are no Micro and Small enterprises to whom the Company owes amounts which are outstanding as at 31st March 2017. 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)

| | Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|---|
| **9.** | **OTHER CURRENT LIABILITIES** | | |
| | Current Maturities of Long Term Debts | **2,398.22** | 2,459.09 |
| | Current Maturities of Deposit | **2,594.14** | 2,820.51 |
| | Interest accrued but not due on borrowings | **-** | - |
| | Unclaimed Dividends | **18.26** | 18.26 |
| | Advance from Customers | **2,200.52** | 2,524.52 |
| | Interest payable on Fixed Deposit | **2,308.77** | 1,771.53 |
| | Other payables | **517.60** | 256.35 |
| | **TOTAL** | **10,037.51** | 9,850.26 |
| **10.** | **SHORT TERM PROVISIONS** | | |
| | Provision for Employee Benefits | **24.27** | 20.67 |
| | Gratuity | **30.39** | 60.51 |
| | Leave Encashment | **11.11** | 13.98 |
| | Salary & Reimbursements | **61.35** | 44.34 |
| | Contribution to Provident Fund | **1.85** | 5.16 |
| | Provision for Wealth Tax | **1.88** | 1.88 |
| | Dividend Tax on Dividend | **359.08** | 359.08 |
| | Provision for Excise Duty | **29.09** | 34.13 |
| | Provision for Interest on Dividend Tax | **247.77** | 204.68 |
| | Creditors for Services | **-** | - |
| | Provision for outstanding expenses | **57.19** | 32.78 |
| | Provision Others | **158.83** | 156.29 |
| | **TOTAL** | **982.81** | 933.50 |

## NOTES TO THE FINANCIAL STATEMENTS

### 11. FIXED ASSETS

(₹ in Lacs)

| DESCRIPTION | | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01 April 2016 | Additions/ Adjustment | Deductions/ Adjustment | Balance as at 31 March 2017 | Balance as at 01 April 2016 | Adjustment / Deductions | For the year | Upto 31 March 2017 | Balance as at 31 March 2017 | Balance as at 31 March 2016 |
| **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 | 26.40 | - | - | 26.40 | 172.83 | 172.83 |
| **3.** | Buildings | 5,506.51 | 13.27 | - | 5,519.78 | 2,036.81 | - | 297.65 | 2,334.46 | 3,185.32 | 3,469.70 |
| **4.** | Plant and Equipment | 7,213.94 | 76.97 | - | 7,290.91 | 3,200.15 | - | 273.75 | 3,473.90 | 3,817.01 | 4,013.79 |
| **5.** | Furniture, Fixtures | 372.85 | - | - | 372.85 | 221.68 | - | 39.79 | 261.47 | 111.38 | 151.17 |
| **6.** | Vehicles | 204.15 | - | - | 204.15 | 137.77 | 8.54 | 17.97 | 147.20 | 56.95 | 66.38 |
| **7.** | Office Equipments | 22.45 | - | - | 22.45 | 21.17 | - | 2.06 | 21.97 | 0.48 | 1.28 |
| **8.** | Computer | 191.69 | 10.50 | - | 202.18 | 177.65 | - | 0.74 | 179.65 | 22.54 | 14.04 |
| | **Sub Total** | **15,535.24** | **100.74** | **-** | **15,635.98** | **5,821.63** | **8.54** | **631.96** | **6,445.05** | **9,190.93** | **9,713.61** |
| | **Total (A)** | **15,535.24** | **100.74** | **-** | **15,635.98** | **5,821.63** | **8.54** | **631.96** | **6,445.05** | **9,190.93** | **9,713.61** |
| **INTANGIBLE ASSETS** | | | | | | | | | | | |
| **Computer Software** | | 21.55 | 7.50 | - | 29.05 | 21.55 | - | 0.17 | 21.72 | 7.33 | - |
| **Total (B)** | | 21.55 | 7.50 | - | 29.05 | 21.55 | - | 0.17 | 21.72 | 7.33 | - |
| **Total (A+B)** | | **15,556.79** | **108.24** | **-** | **15,665.03** | **5,843.18** | **8.54** | **632.13** | **6,466.77** | **9,198.26** | **9,713.61** |
| **Previous Year** | | 15,052.43 | 616.28 | 111.92 | 15,556.79 | 5,337.70 | 105.23 | 610.69 | 5,843.16 | 9,713.61 | 9,714.74 |
| **Capital Work-in-Progress** | | | | | | | | | | 1,270.46 | 1,325.73 |

Intangible Assets under Development

**+** 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)

| | Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|---|
| 12. | **NON CURRENT INVESTMENTS** | | |
| | **TRADE INVESTMENT** | | |
| | **In Equity Shares - Quoted, fully paid up** | | |
| | 4,35,350 Birla Transasia Carpets Limited of ₹10/-each | **63.70** | 63.70 |
| | (4,35,350) Less: Provision for diminution in value | **63.70** | 63.70 |
| | | - | - |
| | **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) | | |
| | **OTHER INVESTMENT - Unquoted fully paid up** | | |
| | 236 US $ 1,000 each of P.T. Horizon Syntex, Indonesia, continue to be held in the | | |
| | (236) name of erstwhile The India Tool Manufacturers Limited and the same are still | | |
| | in process of being transferred in the name of the Company pending receipt | | |
| | of the necessary approval from Reserve Bank of India | **19.31** | 19.31 |
| | Less: Provision for diminution in value | **19.31** | 19.31 |
| | | - | - |
| | 2,000 TIMA CETP Co-Op Society Ltd. of ₹10/- each | **0.20** | 0.20 |
| | (2000) | | |
| | 2,000 The Shamrao Vithal Co-op Bank Ltd. of ₹25/- each | **0.50** | 0.50 |
| | (2000) | | |
| | **In Government Securities - Unquoted** | | |
| | National Savings Certificates | **0.30** | 0.30 |
| | **TOTAL** | **260.59** | 260.59 |
| **Aggregate amount of Quoted Investments** | | **63.70** | 63.70 |
| **Market Value of Quoted Investments** | | **16.85** | 46.36 |
| **Aggregate amount of Unquoted Investments** | | **279.90** | 279.90 |
| **Aggregate provision for diminution in value of Investments** | | **83.01** | 83.01 |

**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lacs)

| | Particulars | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|---|
| **13.** | **LONG TERM LOANS AND ADVANCES** | | |
| | **(Unsecured, Considered good)** | | |
| | Security Deposits | **229.49** | 215.66 |
| | Advance Income Tax (Net of Provision) | **194.73** | 194.73 |
| | Other Loans and Advances (includes deposits received and advances recoverable) | **253.50** | 565.00 |
| | | **677.72** | 975.39 |
| | Other Loans and Advances Considered Doubtful | **486.57** | 160.48 |
| | Less: Provision for doubtful advances | **486.57** | 160.48 |
| | | **-** | - |
| | **TOTAL** | **677.72** | 975.39 |
| **14.** | **INVENTORIES** | | |
| | **(at lower of Cost and Net Realisable value)** | | |
| | Raw Materials | **405.87** | 993.38 |
| | Raw Materials-in-process | **-** | - |
| | Raw Material in Transit | **-** | - |
| | Semi-Finished Goods | **543.30** | - |
| | Finished Goods | **253.16** | 743.58 |
| | Stock-in-Trade | **-** | - |
| | Stores and Spare Parts | **83.43** | 116.69 |
| | Others (Scrap) | **8.63** | 25.90 |
| | **TOTAL** | **1,294.39** | 1,879.55 |
| **15.** | **TRADE RECEIVABLES** | | |
| | Outstanding for a period exceeding six months from the date they become due for payment (unsecured) | | |
| | (a) Considered good | **2,965.55** | 600.34 |
| | (b) Considered doubtful | **995.22** | 696.10 |
| | Less: Provision for doubtful debts | **995.22** | 696.10 |
| | | **-** | - |
| | Other Receivables (unsecured) | | |
| | Considered good | **-** | 857.56 |
| | **TOTAL** (includes ₹1888.24 lacs due from related parties) | **2,965.55** | 1,457.90 |
| **16.** | **CASH AND CASH EQUIVALENTS** | | |
| | Balances with Banks | **325.65** | 408.33 |
| | Unclaimed Dividend | **-** | - |
| | Margin Money | **0.05** | 0.05 |
| | Cash on hand | **4.96** | 7.17 |
| | **TOTAL** | **330.66** | 415.55 |

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

| | Particulars | For the Year ended 31 March, 2017 | For the Year ended 31 March, 2016 |
|---|---|---|---|
| **17.** | **SHORT TERM LOANS AND ADVANCES** | | |
| | **(Unsecured, Considered good)** | | |
| | Loans and Advances to related parties | **10,972.51** | 11,846.37 |
| | Balance with Port Trust, Customs and Excise | **-** | - |
| | Advance to Suppliers | **-** | - |
| | Advance to Employees | **24.26** | 13.95 |
| | Inter Corporate Deposit | **1,326.44** | 1,595.44 |
| | VAT recoverable | **1,129.81** | 1,018.11 |
| | Advances Others | **5,751.36** | 5,341.80 |
| | Less Provision for doubtful advances | **750.00** | 750.00 |
| | Advances Others Net of Provisions | **5,001.36** | 4,591.80 |
| | **TOTAL** | **18,454.38** | 19,065.67 |
| **18.** | **Contingent Liabilities and Commitments (to the extend not provided for)** | | |
| 1 | Non Provision of Interest Post NPA Claims Not Acknowledge as Debts | **13,651.62** | 9,496.57 |
| 2 | Disputed Demands | **20,922.53** | 18,252.89 |
| | **TOTAL** | **34,574.15** | 27,749.46 |
| **19.** | **REVENUE FROM OPERATIONS** | | |
| | Sale of Products | **7,197.39** | 7,566.41 |
| | Other Operating Revenues | **-** | - |
| | (a) Sale of Scrap | **697.58** | - |
| | (b) Export Incentives | **0.01** | 6.61 |
| | © Job Work Income | **1,211.13** | 514.68 |
| | **TOTAL** | **9,106.11** | 8,087.70 |
| | Less : Excise Duty | **521.88** | 583.21 |
| | **TOTAL** | **8,584.23** | 7,504.49 |
| **20.** | **OTHER INCOME** | | |
| | Interest Income | **0.60** | 0.98 |
| | Excess provision written back (Net) | **11.96** | 822.23 |
| | Net Gain on Foreign Currency Translation and Transaction | **-** | 621.28 |
| | Other Non-Operating Income | **62.65** | 732.05 |
| | **TOTAL** | **75.21** | 2,176.54 |
| **21.** | **COST OF MATERIALS CONSUMED** | | |
| | Hot Rolled Steel | **0.01** | 5,933.09 |
| | H.R. Coil | **6,564.71** | 22.13 |
| | Zinc and Zinc Alloy | **621.17** | - |
| | Others | **88.78** | 13.45 |
| | **TOTAL** | **7,274.67** | 5,968.67 |
| | | | - |

**NOTES TO THE FINANCIAL STATEMENTS**

**(₹ in Lacs)**

| | Particulars | For the Year ended 31 March, 2017 | For the Year ended 31 March, 2016 |
|---|---|---|---|
| **22.** | **PURCHASE OF STOCK IN TRADE** | | - |
| | H.R/C.R/G.P Coil/GI Sheet & Pipes | **46.88** | 0.00 |
| | **TOTAL** | **46.88** | - |
| **23.** | **CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE** | | |
| | **Inventory at the beginning of the year:** | | |
| | Finished Goods / Stock-in-Trade | **712.33** | 1,002.91 |
| | Semi-Finished Goods | **-** | - |
| | Scrap etc. | **23.01** | 2.45 |
| | | **735.34** | 1,005.36 |
| | **Less:** | | |
| | **Inventory at the end of the year:** | | - |
| | Finished Goods / Stock-in-Trade | **253.16** | 712.33 |
| | Semi-Finished Goods | **543.30** | - |
| | Scrap etc. | **8.62** | 23.01 |
| | | **805.08** | 735.34 |
| | | **(69.74)** | 270.02 |
| | Variation in excise duty on closing and opening stock of Finished Goods | **29.04** | (26.01) |
| | **TOTAL** | **(40.65)** | 244.01 |
| **24.** | **EMPLOYEE BENEFIT EXPENSES** | | |
| | Salaries and Wages | **527.81** | 595.13 |
| | Contribution to Provident and Other Funds | **31.38** | 30.21 |
| | Staff Welfare Expenses | **27.49** | 3.37 |
| | **TOTAL** | **586.68** | 628.71 |
| **25.** | **FINANCE COST** | | |
| | Interest Expenses | **0.94** | 989.31 |
| | Other borrowing costs | **743.64** | 2.32 |
| | **TOTAL** | **744.58** | 991.63 |

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

| | Particulars | For the Year ended 31 March, 2017 | For the Year ended 31 March, 2016 |
|---|---|---|---|
| **26.** | **OTHER EXPENSES** | | |
| | **Manufacturing Expenses** | | |
| | Consumption of Stores and Spares | **390.79** | 91.33 |
| | Power, Fuel and Water | **495.77** | 459.26 |
| | Repairs to: (Excludes Stores and Spares issued) | | |
| | (a) Buildings | **0.77** | 0.80 |
| | (b) Machinery | **11.56** | 11.98 |
| | Conversion, Octroi and other manufacturing expenses | **175.76** | 83.38 |
| | | **1,074.65** | 646.75 |
| | **Selling and Distribution Expenses** | | |
| | Freight, Forwarding and Handling Expenses | **84.26** | 136.05 |
| | Commission | **8.87** | 5.91 |
| | | **93.13** | 141.96 |
| | **Establishment Expenses** | | |
| | Rent (Net) | **3.79** | 12.55 |
| | Insurance | **5.53** | 6.61 |
| | Rates and Taxes | **15.61** | 11.69 |
| | Miscellaneous Expenditure | **592.97** | 695.66 |
| | Payment to Auditors' | **-** | - |
| | (A) Statutory Auditors: (excluding service tax) | **-** | - |
| | (a) Audit Fees | **9.00** | 9.00 |
| | (b) Limited Review Fees, | **2.00** | 1.50 |
| | (c) Other Services, | **-** | 1.95 |
| | (d) for reimbursement of Expenses | **0.72** | 0.13 |
| | (B) Cost Audit Fees | **-** | - |
| | Other repairs | **7.25** | 18.08 |
| | Loss on Fixed Assets sold/discarded | **-** | - |
| | Bad debts, irrecoverable advances and claims written off | **992.59** | 2,808.70 |
| | **TOTAL** | **2,797.24** | 4,354.58 |

## NOTES TO THE FINANCIAL STATEMENTS

| Particulars | For the year ended 31-Mar-17 (₹ In Lacs) | % | For the year ended 31-Mar-16 (₹ In Lacs) | % |
|---|---|---|---|---|
| **27. IMPORTED AND INDIGENOUS CONSUMPTION** | | | | |
| **(i) Raw Material (Incliding Components)** | | | | |
| Imported | **-** | | - | |
| Indigenous | **7,274.67** | **100.00** | 5,968.67 | 100.00 |
| **TOTAL** | **7,274.67** | **100.00** | 5,968.67 | 100.00 |
| **(ii) Spares** | | | | |
| Imported | **-** | | - | |
| Indigenous | **390.79** | **100.00** | 91.33 | 100.00 |
| **TOTAL** | **390.79** | **100.00** | 91.33 | 100.00 |

## NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended 31-Mar-17 (₹ In Lacs) | For the year ended 31-Mar-16 (₹ In Lacs) |
|---|---|---|
| **28. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF** | | |
| (i) Raw Material ( including canalised items) | **-** | - |
| (ii) Spare Parts | **-** | - |
| (iii) Capital Goods | **-** | - |
| **TOTAL** | **-** | - |
| **29. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF** | | |
| (i) Commission | **-** | - |
| (ii) Interest and Bank Charges | **160.75** | 143.08 |
| (iii) Other (Travelling) | **-** | 2.76 |
| **TOTAL** | **160.75** | 145.84 |
| **30. EARNINGS IN FOREIGN CURRENCY** | | |
| F.O.B. Value of Exports | **230.40** | 2,494.20 |
| TOTAL | **230.40** | 2,494.20 |

## 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, 2013

**(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 has ascertained the useful life of its various assets and charged depreciation in accordance with Schedule II of the Companies Act,2013.

**(d) Borrowing cost:**

Interest and other borrowing costs attributable to acquisition of qualifying assets are capitalized. Other interest and borrowing cost 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 net realisable 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:

(ii) 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.

(iii) 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 revalorized 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 capitalized or written off or in the year in which decision is taken to either capitalize it or abandon the project.

**(l) Taxes on Income:**

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

**(m) Impairment of Assets:**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such assets or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated. If such recoverable amount of the assets or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss 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 and loan documents, etc. are in the process of being transferred in the name of the Company on amalgamation of Tungabhadra Holdings Private Limited. Stamp duty and other levies arising out of the Scheme of Amalgamation, if any, shall be accounted on determination and completion of transfer formalities.
33. The outflow of the resources in respect of pending disputed matters in respect of Sales Tax, Income Tax, VAT and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹21216.64 Lacs (previous year ₹18789.06 Lacs) however company has made the provisions of ₹294.11 Lacs. The Company has taken legal and other steps necessary to protect its position in respect of these claims.

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

**A.** The Company has recognized ₹18.28 Lacs (Previous Year ₹13.50 lacs) in the statement of Profit and Loss for the year ended 31st March, 2017 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 | 2016-17 | 2015-16 |
|---|---|---|---|---|
| **(a)** | **Changes in the Present Value of the Defined Benefits Obligation** | | | |
| | (i) | Present value of Defined Benefit Obligation at the beginning of the year | **320.28** | 368.21 |
| | (ii) | Interest Cost | **24.07** | 28.54 |
| | (iii) | Current Service cost | **14.59** | 15.35 |
| | (iv) | Benefits paid | **-70.14** | -19.91 |
| | (v) | Actuarial (Gain)/Loss | **7.40** | -71.91 |
| | (vi) | Present Value of Defined Benefit Obligation at the End of the year. | **296.20** | 320.28 |
| **(b)** | **Balance Sheet Reconciliation** | | | |
| | (i) | Net Liability at the beginning of the year | **339.05** | 567.60 |
| | (ii) | Expense recognized | **46.06** | -28.02 |
| | (iii) | Provision no longer required | **-88.90** | -200.53 |
| | (iv) | Net Liability at the end of the year | **296.21** | 339.05 |
| **(c)** | **Amounts recognized in the Profit & Loss account** | | | |
| | (i) | Current Service Cost | **14.59** | 15.35 |
| | (ii) | Interest Cost | **24.07** | 28.54 |
| | (iii) | Net Actuarial (Gain)/Loss | **7.40** | -71.91 |
| | (iv) | Expenses Recognised in the Statement of Profit and Loss A/c | **46.06** | -28.02 |
| **(d)** | **Actuarial Assumption** | | | |
| | (i) | Discount rate | **N.A.** | N.A. |
| | (ii) | Expected rate of return on Plan Assets | **7.25%** | 7.50% |
| | (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. | **5.50%** | 5.50% |

**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 transaction have taken place and relationships :**

| Sr. No. | Name of the Related Party | Relationship |
|---|---|---|
| 1 | Zenith (USA) Inc. (Wholly owned) | Subsidiaries |
| 2 | Zenith Middle East FZE (Wholly owned) | |
| 3 | Birla Shloka Edutech Ltd | Enterprise Owned or significantly influenced by Key Managerial personnel or their relatives where transactions have taken place. |
| 4 | Birla International Pvt Ltd | |
| 5 | Melstar Information Technologies Ltd | |
| 6 | Godavari Corporation Pvt Ltd | |
| 7 | Khopoli Investments Ltd | |
| 8 | Zenith Dye intermediates Ltd | |
| 9 | Shri Ashish Mahendrakar - Director | Key Management Personnel |
| 10 | Smt. Minal Umesh Pote | |
| 11 | Shri Milind Bhaskar Prabhudesai | |
| 12 | Shri Pritam Dhanawade | |
| 13 | Shri Pushkar Natu - CEO | |
| 14 | Shri B. Girvanesh - CFO | |
| 15 | Shri Vimal Prakash Dubey - Co. Secretary (resigned w.e.f. 31/07/16) | |
| 16 | Shri Suneel Sullere - Co. Secretary (w.e.f. 01/08/16) | |

**(₹ In lacs)**

| Net Balance of Receivable, Payable, Deposits, Loan etc. | | | Balance Carried to Balance Sheet (Net) as at 31-03-2017 | | Balance Carried to Balance Sheet (Net) as at 31-03-2016 | |
|---|---|---|---|---|---|---|
| | | | **Receivable** | **Payable** | **Receivable** | **Payable** |
| i) Subsidiary | a) | Zenith (USA) Inc.(Wholly owned) | **1888.24** | **-** | 1665.59 | - |
| | b) | Zenith Middle East FZE (Wholly owned) | **10089.28** | **-** | 10306 | - |
| ii) Enterprises Owned or significantly influenced by key management personnel or their relatives. | 1 | Melstar Information Technologies Ltd | **2.56** | **-** | 2.56 | - |
| | 2 | Birla Shloka Edutech Ltd. | **-** | **75.31** | - | 75.31 |
| | 3 | Zenith Dyeintermediates Ltd | **-** | **3464.01** | | 1227.88 |
| | 4 | Godavari Corporation Pvt Ltd | **543.17** | **-** | 541.55 | - |
| | 5 | Birla International Pvt. Ltd. | **291.34** | **-** | 291.34 | - |
| | 6 | Khopoli Investments Ltd. | **18.17** | **-** | 18.17 | - |

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

**(b) Transaction with related parties** **(₹ In lacs)**

| | Subsidiaries | | Key Management Personnel | | Enterprise owned and significantly influenced by Key Management personnel or their relatives | |
|---|---|---|---|---|---|---|
| | 3/31/2017 | 3/31/2016 | 3/31/2017 | 3/31/2016 | 3/31/2017 | 3/31/2016 |
| Sale of Goods | 212.62 | 1357.51 | - | - | 2155.61 | 179.54 |
| Jobwork Income | - | - | - | - | 821.90 | - |
| Remuneration | - | - | 44.63 | 40.98 | - | - |

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

| Sl No. | Particulars | (₹ in Lacs) | |
|---|---|---|---|
| | | 2016-17 | 2015-16 |
| 1 | Sale of Goods | | |
| | Zenith (USA) Inc. | 212.62 | 1357.51 |
| | Zenith Dye intermediate Limited | 2155.61 | 179.54 |
| 2 | Jobwork Income | 821.90 | - |
| 3 | Remuneration Paid | 44.63 | 40.98 |

36. 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 utilization of follow on public offer proceeds, so that the company can also utilize the proceeds for. Manufacturing of SAW & ERW pipes at Chennai or at such other locations as may be decided by the Board. Out of ₹13500 Lacs, ₹8036 Lacs will be utilized from the unutilized proceeds of public issue and balance ₹5464 lacs will be from unutilized proceeds of GDR issue. The detail of utilization of proceeds of ₹13500 lakh is given here under:

| **Particulars** | **Projected Amt** | **Amount to be spent** |
|---|---|---|
| Land and Building | 1,000.00 | 1,000.00 |
| Plant and Machinery(Imported&Indigenous) | 8,532.00 | 8,321.00 |
| Miscellaneous Fixed assets | 3,696.00 | 3,696.00 |
| Contingency | 272 | 272 |
| 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:**

| | **Amount (USD) 2016-17** | **Amount (USD) 2015-16** |
|---|---|---|
| 1 Term Loan | 4403903.93 | 4163129.77 |
| 2 Debtors | 2988271.34 | 2645347.94 |
| 3 Other Payables | - | - |
| 4 Other Receivables | 15765488.29 | 15765488.29 |

**39. Computation for Earning Per Share**

| | **2016-17** | **2015-16** |
|---|---|---|
| Profit for the Year | -3386 | -3261 |
| Weighted average Number of Equity Share | 131,280,448 | 131,280,448 |
| **TOTAL** | **131,280,448** | **131,280,448** |
| Earnings per share | -2.58 | -2.48 |

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 gain relating to the financial year 2016-17 amounting to ₹55.27 lacs, has been adjusted to the cost of fixed assets.

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

41. In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statement of the Company and therefore, no separate disclosure on segment information is given in these financial statements.

42. Balances of Sundry Creditors, Debtors, Loans and Advances, Deposits and Inter Unit Balances are as per books of accounts in absence of confirmation and reconciliation thereon.
43. The company has declared a lockout at its Khopoli Unit since November. 2013
44. The company has not provided interest to the extent of ₹38.36 crores upto 31-03-17 on certain bank outstanding which were classified as non-performing assets during the previous year.
45. Consortium of banks has taken action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 in February,2014 and called upon the company to repay the amount of ₹193.19 Crores towards the dues as on 31.01.2014 within sixty days. Thereafter the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the Khopoli unit.
46. Interest amounting to ₹4.84 crores during the year on ICD's given by the company is not considered as income due to realisability not being certain.
47. Debit balances aggregating ₹9.93 crores considered unrealizable have been written off as a prudent measure
48. The accumulated losses till 31st March, 2017 ,has exceeded the share capital value including other reserves, thereby the net worth of the company has been completely eroded. However on account of strategic understanding with suppliers/customers the company is on the revival mode and is operating some of the units. In view of the same the going concern concept holds good.

**49. Details of Specified Bank Notes (SBN) held and transacted during the period 8.11.2016 to 30.12.2016**

| | TOTAL | | | |
|---|---|---|---|---|
| | SBN | | OTHER DENOMINATION NOTES | TOTAL |
| CLOSING CASH IN HAND AS ON 08.11.2016 | (₹1000*73) | 73,000.00 | 2,73,929.00 | 4,41,929.00 |
| | (₹500*190) | 95,000.00 | | |
| (+) PERMITTED RECEIPT | | - | 10,32,447.00 | 10,32,447.00 |
| (-) PERMITTED PAYMENT | | - | 11,39,560.00 | 11,39,560.00 |
| (-) AMOUNT DEPOSITED IN BANK | | 1,68,000.00 | - | 1,68,000.00 |
| CLOSING CASH IN HAND AS ON 30.12.2016 | | - | 1,66,816.00 | 1,66,816.00 |

50. Corresponding previous year figures have been regrouped/recast and reclassified to make them comparable.

As Per Our Attached Report of Even Date
**For Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

**Form AOC-I**

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

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

**PART "A": Subsidiaries**

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

| Sl. No. | Name of the Subsidiary: | **Zenith Middle East FZ-LLC** |
|---|---|---|
| 1 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31st March' 2017 |
| | Reporting currency and Exchange rate as on the date of the relevant Financial year in the case of foreign subsidiaries | AED |
| | Share Capital | AED 2216670 |
| | Reserves & surplus | AED (2006890.91) |
| | Total assets | AED 54892088.55 |
| | Total Liabilities | AED 54682309.50 |
| | Investments | - |
| | Turnover | - |
| | Profit before taxation | - |
| | Provision for taxation | - |
| | Profit after taxation | - |
| | Proposed Dividend | - |
| | % of shareholding | 100% |

| Sl. No. | Name of the Subsidiary: | **Zenith (USA) Inc.** |
|---|---|---|
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31st December' 2016 |
| | Reporting currency and Exchange rate as on the date of the relevant Financial year in the case of foreign subsidiaries | USD |
| | Share Capital | USD 30000 |
| | Reserves & surplus | USD (2073159) |
| | Total assets | USD 4784301 |
| | Total Liabilities | USD 6827460 |
| | Investments | - |
| | Turnover | USD 9602811 |
| | Profit before taxation | USD 44818 |
| | Provision for taxation | USD 0.00 |
| | Profit after taxation | USD 44818 |
| | Proposed Dividend | - |
| | % of shareholding | 100% |

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

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

**PART "B": Associates and Joint Ventures**

**Statement Pursuant To Section 129(3) Of The Companies Act, 2013 Related To Associate Companies And Joint Ventures.**

The Company does not have Associate Companies and Joint Ventures

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

## INDEPENDENT AUDITOR'S REPORT

**To the Members of ZENITH BIRLA (INDIA)LIMITED**
**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **ZENITH BIRLA (INDIA) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act.

The respective Boards of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities;selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Basis for Qualified Opinion**

1. With reference to Note No 44 regarding the non provision by the Company of the interest amounting to ₹ 38.36 crores for the year and ₹ 136.52 crores upto 31-03-2017 on its working capital facilities from Banks. Had this amount been provided for, the loss would have been higher by ₹ 38.36 crores and the Secured loans would have been cumulatively higher by ₹ 136.52 crores.

2. The Company has not complied with the provisions of the section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due date maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.

3. With reference to Note No 42 regarding the balance of Sundry Creditors, Debtors, Loans and Advances, deposits, inter units, etc. Being not confirmed by the parties/units hence our inability to state whether these balances are recoverable / payable to the extent stated.

4. With reference to Note No. 48 which indicates that the Company has accumulated losses exceeding the Share Capital and Reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the matters described in the basis of qualified opinion paragraph, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated loss and their consolidated Cash Flows for the year ended on that date.

**Others 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 ₹ 13083.13 lacs and net assets of ₹ (680.45) lacs as at 31st March, 2017, total revenues of ₹ 8589.25 lacs, net profit of ₹ 72.94 lacs and net cash flows amounting to ₹ 160.64 lacs for the year then ended.

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

Since the financial statements of the foreign subsidiaries which were compiled by the management for the financial year ended 31st March 2017 were not audited as at 31st March 2017, any adjustments to their balances could have consequential effect on the attached consolidated financial statements.

**Report on Other Legal and Regulatory Requirements**

1 As required by section 143 (3) of the Act, we report, to the extent applicable, that:

   a. we have sought and obtained all the information and explanations which to the best ofour knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid

consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The consolidated Balance Sheet, the consolidated Profit and Loss statement, and the consolidated Cash Flow Statement deal with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31,2017 and taken on record by the Board of Directors of the Holding Company none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditor's reports of the Holding company.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group except for the action initiative under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 by the Banks.

   ii. The Company did not have any long term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosure in the Consolidated financial statements as regards its holding and dealing in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, by its holding Company during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representation provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management, Refer Note no. 49 disclosure on Specified Bank Notes (SBN).

For, THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm's registration number: 000038N
C V PARAMESWAR
Partner
Membership number: 011541

Place: Mumbai
Date: 30-05-2017

## Annexure "A"

**to the Independent Auditor's Report on the Consolidated Financial Statements of ZENITH BIRLA (INDIA) LIMITED**

(Referred to in paragraph 1(f) under 'Report on Other Legal & Regulatory Requirement' of our report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the Internal Financial Controls over financial reporting of ZENITH BIRLA (INDIA) LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as of that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm's registration number: 000038N
C V PARAMESWAR
Partner
Membership number: 011541

Place: Mumbai
Date: 30-05-2017

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

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See regulation 33 of the SEBI (LODR) (Amendment) Regulations,2016] | | | | |
|---|---|---|---|---|
| | **Sl. No.** | **Particulars** | **Audited Figures ₹ in lacs (as reported before adjusting for qualifications)** | **Adjusted Figures ₹ in lacs (audited figures after adjusting for qualifications)** |
| I | 1. | Turnover/ Total Income | 15784 | 15784 |
| | 2. | Total Expenditure | 19097 | 22933 |
| | 3. | Net Profit/(Loss) | (3313) | (7149) |
| | 4. | Earnings Per Share (Rupees) | (2.52) | (5.45) |
| | 5. | Total Assets | 35298 | 35298 |
| | 6. | Total Liabilities | 44113 | 57765 |
| | 7. | Net Worth | (8815) | (22467) |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |

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

**a. Details of Audit Qualification:**

i. Note No. 44 regarding the non provision by the Company of the interest amounting to ₹38.36 crores for the year and ₹136.52 crores being the aggregate upto date on its working capital / term loan facilities from banks during the year. Had this amount been provided for the loss would have been higher by ₹38.36 crores for the year and cumulatively ₹136.52 crores and secured loans would have been higher by an amount of ₹136.52 crores in the aggregate.

ii. Note No. 42 regarding the balances of Sundry Creditors, Debtors, Loans and advances, deposits, inter- units etc being not confirmed by the parties/ units and hence our inability to state whether these balances are recoverable/ payable to the extent stated.

iii. The Company has prepared its accounts on a going concern basis though its net worth is fully eroded for reasons stated in Note No. 48

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

**c. Frequency of Qualification**

Qualification no. i & ii are appearing for the fourth time. Qualification number iii is appearing for the third time.

**d. For Audit Qualification(s)where the impact is quantified by the auditor, Management views:**
The Company is trying for One Time Settlement (OTS) with the banks. Hence, it is felt prudent for not providing for interest after the accounts became NPA.

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

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

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

**For qualification on balances of sundry creditors:** Reconciliation of balances of sundry creditors are an ongoing basis and the figures would be ascertained only when the reconciliation is finalised. Hence at this stage, impact of the same is not ascertainable.

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

**Auditors' Comments on (i) or (ii) above**

No further comments.

| | | |
|---|---|---|
| III | **Signatories:** | |
| | • **CEO / ~~Managing Director~~:** | **: ( Mr Pushkar Natu)** |
| | • **CFO** | **: ( Mr B. Girvanesh)** |
| | • **Audit Committee Chairman** | **: (Mr Milind Prabhudesai)** |
| | • **Statutory Auditor** | **: ( C.V. Parameswar) (M/s Thakur, Vaidyanath Aiyar & Partner Co. Chartered Accountants, Mumbai)** |
| | **Place: Mumbai**<br>**Date: 30.05.2017** | |

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**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017** **(₹ In Lacs)**

| Particulars | Note No. | As At 31 March, 2017 | As At 31 March, 2016 |
|---|---|---|---|
| **I. Equity And Liabilities** | | | |
| **1. Shareholders' Funds** | | | |
| (A) Share Capital | 1 | **13,128.04** | 13,128.04 |
| (B) Reserves And Surplus | 2 | **(21,943.01)** | (18,596.10) |
| | | **(8,814.97)** | (5,468.06) |
| **2. Non-Current Liabilities** | | | |
| (A) Long-Term Borrowings | 3 | **2,195.98** | 2,215.66 |
| (B) Deferred Tax Liabilities (Net) | 4 | **504.86** | 504.86 |
| (C) Other Long-Term Liabilities | 5 | **1,211.43** | 1,211.30 |
| (D) Long-Term Provisions | 6 | **600.81** | 617.38 |
| | | **4,513.08** | 4,549.20 |
| **3. Current Liabilities** | | | |
| (A) Short Term Borrowings | 7 | **21,596.82** | 21,609.30 |
| (B) Trade Payables | 8 | **6,184.49** | 4,144.56 |
| (C) Other Current Liabilities | 9 | **10,835.80** | 10,193.44 |
| (D) Short-Term Provisions | 10 | **982.81** | 933.50 |
| | | **39,599.92** | 36,880.80 |
| **Total** | | **35,298.03** | 35,961.94 |
| **Ii. Assets** | | | |
| **Non-Current Assets** | | | |
| **1. (A) Fixed Assets** | **11** | | |
| (I) Tangible Assets | | **9,190.93** | 9,713.61 |
| (Ii) Intangible Assets | | **7.33** | - |
| (Iii) Capital Work-In-Progress | | **1,270.46** | 1,325.73 |
| (B) Non-Current Investments | 12 | **1.00** | 1.00 |
| (C) Long-Term Loans And Advances | 13 | **677.72** | 975.38 |
| | | **11,147.44** | **12,015.72** |
| **2. Current Assets** | | | |
| (A) Inventories | 14 | **1,294.39** | 1,879.55 |
| (B) Trade Receivables | 15 | **12,616.58** | 10,906.79 |
| (C) Cash And Cash Equivalents | 16 | **277.51** | 523.03 |
| (D) Short-Term Loans And Advances | 17 | **9,962.11** | 10,636.85 |
| Other Current Assets ( Interunit) | | **-** | - |
| | | **24,150.59** | 23,946.22 |
| **Total** | | **35,298.03** | **35,961.94** |
| **Significant Accounting Policies** | | | |
| **Notes On Financial Statements** | 1 To 50 | | |

As Per Our Attached Report of Even Date
**For Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Pushkar Natu**
Chief Executive Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

**Ashish Mahendrakar**
Director
DIN. 03584695

**B.Girvanesh**
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017** (₹ in Lacs)

| | Particulars | Note No. | For the year ended 31 March, 2017 | For the year ended 31 March 2016 |
|---|---|---|---|---|
| **I.** | **Income** | | | |
| | Revenue From Operations (gross) | 19 | **16,214.04** | 9,731.86 |
| | Less : Excise Duty | | **521.88** | 583.21 |
| | | | **15,692.16** | 9,148.65 |
| **II.** | **Other Income** | **20** | **91.54** | 2,252.99 |
| **III.** | **Total Revenue (I + II)** | | **15,783.70** | 11,401.64 |
| **IV.** | **EXPENSES** | | | |
| | Cost of Materials consumed | 21 | **12,503.10** | 6,709.44 |
| | Purchase of Stock in Trade | 22 | **46.88** | - |
| | Changes in Inventories of Finished Goods, | | **-** | - |
| | Work-in-Progress and Stock-in-Trade | 23 | **(40.65)** | 244.01 |
| | Employee Benefits expenses | 24 | **683.60** | 737.13 |
| | Finance Costs | 25 | **866.85** | 1,043.48 |
| | Depreciation and Amortization Expenses | 11 | **623.59** | 610.69 |
| | Other Expenses | 26 | **4,400.96** | 5,174.08 |
| | **Total Expenses** | | **19,084.33** | 14,518.83 |
| **V.** | **PROFIT BEFORE TAX** | | **(3,300.63)** | (3,117.19) |
| **VI.** | **Tax Expenses** | | | |
| | (a) Current Tax | | **-** | 4.87 |
| | (b) Deferred Tax | | **-** | - |
| | | | **-** | 4.87 |
| **VII.** | **PROFIT FOR THE YEAR (V -VI)** | | **(3,300.63)** | (3,122.06) |
| | Prior Period Expenses | | **12.22** | 143.97 |
| | Exceptional Items ( Advances related to Discontinued Project Written off ) | | **-** | - |
| **VIII** | **Profits Transferred to Reserves and Surplus** | | **(3,312.85)** | (3,266.03) |
| | **Earning per Equity Share of face value of ₹10 each** | | | |
| | **Basic and Diluted (in ₹)** | | **(2.52)** | (2.49) |
| | **Significant Accounting Policies** | | | |
| | **Notes on Financial Statements** | 1 to 50 | | |

As Per Our Attached Report of Even Date
**For Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

## CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| **Net Profit before Tax as per Profit and Loss Account** | **(3,300.63)** | (3117.19) |
| **Add/(Deduct):** | | |
| a) Depreciation and Amortisation expense | **623.59** | 610.69 |
| b) (Profit)/ Loss on Sale / Discard of Assets (Net) | | - |
| c) Finance Cost | **866.84** | 1043.48 |
| d) Interest Income | **-** | - |
| e) Dividend Income | **-** | - |
| f) Net gain on sale of Investment (Net) | **-** | - |
| g) Prior period items | **(12.22)** | (143.97) |
| h) Adj. in Gen. Res. of old liab. | **(34.05)** | - |
| | **1,444.16** | 1,510.20 |
| **Operating Cash Profit before Working Capital Changes** | **(1,856.47)** | (1,607.00) |
| **Add/(Deduct):** | | |
| a) Trade and other Receivables | **(737.40)** | 228.81 |
| b) Inventories | **585.15** | (562.18) |
| c) Trade and Payables | **2,715.17** | 1415.54 |
| | **2,562.92** | 1,082.17 |
| **CASH GENERATED FROM OPERATIONS** | **706.45** | (524.83) |
| **Add: Tax Payments** | **0.00** | (4.87) |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | **706.45** | (529.70) |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| **Inflow** | | |
| a) Sale of Fixed Assets | **-** | - |
| b) Sale of Current Investments (Net) | **-** | - |
| c) Dividend from Current Investments | **-** | - |
| d) Net gain on sale of Investment (Net) | **-** | - |
| e) Inter Corporate Deposits and Loans (Including Interest) (Net) | **(0.00)** | 884.82 |
| | **(0.00)** | 884.82 |
| **Outflow** | | |
| a) Acquisition of Fixed Assets | **246.65** | 147.48 |
| b) Investment in other Long Term Investments | **-** | - |
| c) Purchase of Current Investments (Net) | **-** | - |
| d) Inter Corporate Deposits and Loans (Including Interest) (Net) | **-** | - |
| | **246.65** | 147.48 |
| **NET CASH FLOW FROM INVESTING ACTIVITIES** | **(246.65)** | 737.34 |
| **C. CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Inflow | | |
| a) Increase in Share Capital after ignoring non Cash | **-** | - |
| b) Borrowings (Net of repayments) | **161.52** | 1,174.19 |
| | **161.52** | 1,174.19 |

| | | |
|---|---|---|
| **Outflow** | | |
| a) Finance Charges (Net) | **866.84** | 1,043.48 |
| b) Dividend paid | **-** | - |
| c) Borrowings (Net of repayments) | **-** | - |
| d) Share Issue Expenses | **-** | - |
| e) Assets W.off of Discontinued Project | **-** | - |
| | **866.84** | 1,043.48 |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | **(705.33)** | 130.71 |
| **D. Exceptional Items ( Advances related to Discontinued Project Written off )** | **-** | - |
| **NET INCREASE/ ( DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)** | **(245.52)** | 338.35 |
| **CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR** | **522.98** | 184.63 |
| **CASH AND CASH EQUIVALENTS AS AT YEAR END** | **277.46** | 522.98 |
| Reconciliation of Cash and Cash Equivalents as at year end:- | | |
| Cash and Cash Equivalents as per Note No. 16 | **277.51** | 523.03 |
| Less: Balance in Fixed Deposit accounts kept as margin money with the bankers | **(0.05)** | (0.05) |
| | **277.46** | 522.98 |

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, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS.42922

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

| | Particulars | As At 31 March, 2017 | As At 31 March 2016 |
|---|---|---|---|
| **1.** | **Share Capital** | | |
| | **Authorised:** | | |
| | 15,55,00,000 Equity Share Of ₹10/- Each (15,55,00,000) | **15,550.00** | 15,550.00 |
| | Issued, Subscribed & Fully Paid Up | | |
| | 13,12,80,448 Equity Share Of ₹10/- Each (13,12,80,448) | **13,128.04** | 13,128.04 |
| | **Total** | **13,128.04** | 13,128.04 |

| | | | | | |
|---|---|---|---|---|---|
| 1.1 | **The Reconciliation Of The Number Of Shares Outstanding Is Set Out Below:** | **No. Of Shares** | | **No. Of Shares** | |
| | Shares Outstanding At The Beginning Of The Year | **131,280,448** | | 131,280,448 | |
| | Shares Outstanding At The End Of The Year | **131,280,448** | | 131,280,448 | |
| 1.2 | **The Details Of Shareholders Holding More Than 5% Share** | **No. Of Share** | **% Held** | **No. Of Share** | **% Held** |
| | **Birla Bombay Pvt. Ltd.** | **8171397** | **6.22** | 8171397 | 6.22 |
| | **Harbhajansingh Maliksingh Rajpal** | **7467724** | **5.69** | 6484114 | 4.93 |

1.3 On 10-01-2011 The Company Issued 1,08,10,000 Convertible Equity Share Warrants Which Were Convertible Into 1 Equity Share Of ₹10 Each At A Price Calculated In Accordance With Sebi Regulation. 25% Of The Issue Price Was Payable At The Time Of Allotment Of Warrants And The Balance 75% At The Time Of Allotment Of Equity Shares. On 25-03-2011, 15,60,000 Warrants Were Converted Into Equity Shares. The Remaining 92,50,000 Warrants Were Converttible Into Equity Share Before 09-07-2012.

| | | | |
|---|---|---|---|
| **2.** | **Reserves And Surplus** | | |
| | **1. Securities Premium Reserve** | | |
| | Balance As Per Last Account | **14,308.30** | 14,308.30 |
| | **2. General Reserve:** | **-** | - |
| | Forefeture of Money received against Share warrant | **494.88** | 494.88 |
| | Balance as per last account | **57.24** | 91.29 |
| | **3. Surplus In Statement Of Profit And Loss** | **-** | |
| | Balance As Per Last Account | **(33,490.57)** | (30,224.54) |
| | Add: Net Profit For The Current Year | **(3,312.85)** | (3,266.03) |
| | Closing Balance | **(36,803.43)** | (33,490.57) |
| | **Total** | **(21,943.01)** | (18,596.10) |

**3. Long Term Borrowings**

**Secured (Refer Note)**

| | | | |
|---|---|---|---|
| (A) | Term Loans | | |
| | From Banks | **1,390.59** | 1,401.52 |
| | From Others | **-** | - |
| (B) | Long Term Maturities Of Finance Lease Obligations | **-** | - |
| | **Sub Total A** | **1,390.59** | 1,401.52 |

**Note : Terms of Borrowing**

| SN | Nature of Security | Original Amt of Borrowing (₹ in Lacs) | Tenor of Inception (₹ in Lacs) | Terms of Repayment | Month in which last installment is due | Repayment schedule installments (₹ in Lacs) | Balance as on 31st March 2017 | Balance as on 31st March 2016 |
|---|---|---|---|---|---|---|---|---|
| 1 | Term Loan from Bank is secured by mortgage of thane office building against which the loan has been taken | 300 | 10 | Monthly | Dec-14 | 1.15 | 158.95 | 164.28 |
| 2 | Loan from other is secured by first charge (hypothecation) of all movable assest, including specific plant and machinery purchased out of this term loan with a second charge over these assets to existing working capital bankers, and second charge (hypothecation) on overall existing movable and immovable assets including plant and machinery. | 5625 | 8.5 | Quarerly | Jul-15 | 153 | 2398.22 | 2453.49 |
| 3 | The term loan shall be secured by first pari-passu charge on all assets funded under the proposed capex plan and second charge on all existing movable and immovable assets of the company (exclusive all movable asstes charges to fmo on exclusive basis) | 1125 | 8.5 | Quarerly | Feb-19 | 51.13 | 1231.64 | 1237.24 |
| 4 | Loan term maturities of finance lease obligationsare secured by hypothecation of specific vehicles against which the loan has been taken. | 33.76 | 3-4 | Monthly | Jun-16 | 0.97 | - | 5.60 |
| | **Sub-total** | | | | | | **3788.811** | **3860.61** |
| | Less : current maturities of long term debt {refer note 9 (a)} | | | | | | 2398.22 | 2459.09 |
| | **Total** | | | | | | **1390.59** | **1401.52** |

**Unsecured**

| | | | |
|---|---|---|---|
| (A) | Deferred Payment Liabilities | **150.00** | 150.00 |
| (B) | Deposits | **-** | - |
| (C) | Loans And Advances | **655.39** | 664.14 |
| | **Sub Total B** | **805.39** | 814.14 |
| | **Total A+B** | **2,195.98** | 2,215.66 |

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS** (₹ In Lacs)

| | Particulars | As At 31 March, 2017 | As At 31 March 2016 |
|---|---|---|---|
| **4.** | **Deferred Tax Liability (Net)** | | |
| | **Deferred Tax Liability** | | |
| | On Account Of Depreciation | **671.15** | 671.15 |
| | **Deferred Tax Assets** | | |
| | Disallowance Under The Income Tax Act, 1961 | **166.29** | 166.29 |
| | **Total** | **504.86** | 504.86 |
| **5.** | **Other Long Term Liabilities** | | |
| | (A) Others (includes ₹ 25.50 lacs due to related parties) | **1,211.43** | 1,211.30 |
| | **Total** | **1,211.43** | 1,211.30 |
| **6.** | **Long Term Provisions** | | |
| | (A) Provision For Employee Benefits | | |
| | Gratuity | **265.82** | 278.54 |
| | Leave Encashment | **40.88** | 44.73 |
| | (B) Provision For Contingencies | **294.11** | 294.11 |
| | **Total** | **600.81** | 617.38 |
| **7.** | **Short Term Borrowings** | | |
| | **Loans Repayable On Demand** | | |
| | (A) From Banks | **21,055.15** | 21,055.15 |
| | Loans Repayable On Demand From Banks Are Secured By Hypothecation Of Inventories And /Or Book Debts And Export Incentives Recoverable Etc. And Collaterally Secured By Way Of First Charge On The Fixed Assets. | | |
| | (B) From Others | **541.67** | 554.15 |
| | **Total** | **21,596.82** | 21,609.30 |
| **8.** | **Trade Payables** | | |
| | (A) Micro, Small And Medium Enterprises (*) | **-** | - |
| | (B) Others (Including ₹3,657.10 Lacs Due To Related Parties) | **6,184.49** | 4,144.56 |
| | **Total** | **6,184.49** | 4,144.56 |
| | (*) There Are No Micro And Small Enterprises To Whom The Company Owes Amounts Which Are Outstanding As At 31St March 2017. 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 | **2,398.22** | 2,459.09 |
| | Current Maturities Of Deposit | **2,594.14** | 2,820.51 |
| | Interest Accrued But Not Due On Borrowings | **-** | - |
| | Unclaimed Dividends | **18.26** | 18.26 |
| | Advance From Customers | **2,200.52** | 2,524.52 |
| | Interest Payable On Fixed Deposit | **2,308.77** | 1,771.53 |
| | Other Payables | **1,315.89** | 599.53 |
| | **Total** | **10,835.80** | 10,193.44 |

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS** **(₹ In Lacs)**

| | **Particulars** | **As At 31 March, 2017** | **As At 31 March 2016** |
|---|---|---|---|
| **10.** | Short Term Provisions | | |
| | Provision For Employee Benefits | **24.27** | 20.67 |
| | Gratuity | **30.39** | 60.51 |
| | Leave Encashment | **11.11** | 13.98 |
| | Salary & Reimbursements | **61.35** | 44.34 |
| | Contribution To Provident Fund | **1.85** | 5.16 |
| | Provision For Wealth Tax | **1.88** | 1.88 |
| | Dividend Tax On Dividend | **359.08** | 359.08 |
| | Provision For Excise Duty | **29.09** | 34.13 |
| | Provision For Interest On Dividend Tax | **247.77** | 204.68 |
| | Creditors For Services | **-** | - |
| | Provision For Outstanding Expenses | **57.19** | 32.78 |
| | Provision Others | **158.83** | 156.29 |
| | **Total** | **982.81** | 933.50 |

## NOTES TO THE FINANCIAL STATEMENTS

### 11. FIXED ASSETS

(₹ in Lacs)

| DESCRIPTION | | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01 April 2016 | Additions/ Adjustment | Deductions/ Adjustment | Balance as at 31 March 2017 | Balance as at 01 April 2016 | Adjustment / Deductions | For the year | Upto 31 March 2017 | Balance as at 31 March 2017 | Balance as at 31 March 2016 |
| **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 | 26.40 | - | - | 26.40 | 172.83 | 172.83 |
| **3.** | Buildings | 5,506.51 | 13.27 | - | 5,519.78 | 2,036.81 | - | 297.65 | 2,334.46 | 3,185.32 | 3,469.70 |
| **4.** | Plant and Equipment | 7,213.94 | 76.97 | - | 7,290.91 | 3,200.15 | - | 273.75 | 3,473.90 | 3,817.01 | 4,013.79 |
| **5.** | Furniture, Fixtures | 372.85 | - | - | 372.85 | 221.68 | - | 39.79 | 261.47 | 111.38 | 151.17 |
| **6.** | Vehicles | 204.15 | - | - | 204.15 | 137.77 | 8.54 | 17.97 | 147.20 | 56.95 | 66.38 |
| **7.** | Office Equipments | 22.45 | - | - | 22.45 | 21.17 | - | 2.06 | 21.97 | 0.48 | 1.28 |
| **8.** | Computer | 191.69 | 10.50 | - | 202.18 | 177.65 | - | 0.74 | 179.65 | 22.54 | 14.04 |
| | **Sub Total** | **15,535.24** | **100.74** | **-** | **15,635.98** | **5,821.63** | **8.54** | **631.96** | **6,445.05** | **9,190.93** | **9,713.61** |
| | **Total (A)** | **15,535.24** | **100.74** | **-** | **15,635.98** | **5,821.63** | **8.54** | **631.96** | **6,445.05** | **9,190.93** | **9,713.61** |
| **INTANGIBLE ASSETS** | | | | | | | | | | | |
| **Computer Software** | | 21.55 | 7.50 | - | 29.05 | 21.55 | - | 0.17 | 21.72 | 7.33 | - |
| **Total (B)** | | 21.55 | 7.50 | - | 29.05 | 21.55 | - | 0.17 | 21.72 | 7.33 | - |
| **Total (A+B)** | | **15,556.79** | **108.24** | **-** | **15,665.03** | **5,843.18** | **8.54** | **632.13** | **6,466.77** | **9,198.26** | **9,713.61** |
| **Previous Year** | | 15,052.43 | 616.28 | 111.92 | 15,556.79 | 5,337.70 | 105.23 | 610.69 | 5,843.16 | 9,713.61 | 9,714.74 |
| **Capital Work-in-Progress** | | | | | | | | | | 1,270.46 | 1,325.73 |

Intangible Assets under Development

+ 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.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

| | Particulars | As At 31 March, 2017 | As At 31 March 2016 |
|---|---|---|---|
| **12.** | **Non Current Investments** | | |
| | **Trade Investment** | | |
| | **In Equity Shares - Quoted, Fully Paid Up** | | |
| | 4,35,350 Birla Transasia Carpets Limited Of ₹10/-Each | **63.70** | 63.70 |
| | (4,35,350) Less: Provision For Diminution In Value | **63.70** | 63.70 |
| | | **-** | - |
| | **In Equity Shares Of Subsidiary Company** | | |
| | **Unquoted Fully Paid Up** | | |
| | 1,000 Zenith (Usa), Inc. New York, A Wholly Owned Subsidiary Company | | |
| | (1,000) (Nominal Value Of Shares In Us $ 30,000) | **-** | - |
| | 2 Uae Dirham 2 Million Of Zenith Middle East Fze, A Wholly Owned Subsidiary | **-** | |
| | (2) Of The Company, Further Uae Dirham 0.22 Million Is Pending Allotment. | **-** | - |
| | | **-** | - |
| | In Equity Shares Of Associate Company | | |
| | Unquoted Fully Paid Up | | |
| | 39,000 Birla Energy Infra Limited Of ₹10/- Each | **-** | - |
| | (39000) | | |
| | Other Investment - Unquoted Fully Paid Up | | |
| | 236 Us $ 1,000 Each Of P.T. Horizon Syntex, Indonesia, Continue To Be Held In The | | |
| | (236) Name Of Erstwhile The India Tool Manufacturers Limited And The Same Are Still | | |
| | In Process Of Being Transferred In The Name Of The Company Pending Receipt | | |
| | Of The Necessary Approval From Reserve Bank Of India | **19.31** | 19.31 |
| | Less: Provision For Diminution In Value | **19.31** | 19.31 |
| | | **-** | - |
| | 2,000 Tima Cetp Co-Op Society Ltd. Of ₹10/- Each | **0.20** | 0.20 |
| | (2000) | | |
| | 2,000 The Shamrao Vithal Co-Op Bank Ltd. Of ₹25/- Each | **0.50** | 0.50 |
| | (2000) | | |
| | In Government Securities - Unquoted | | |
| | National Savings Certificates | **0.30** | 0.30 |
| | **Total** | **1.00** | 1.00 |
| **Aggregate Amount Of Quoted Investments** | | **63.70** | 63.70 |
| **Market Value Of Quoted Investments** | | **16.85** | 46.36 |
| **Aggregate Amount Of Unquoted Investments** | | **20.31** | 20.31 |
| **Aggregate Provision For Diminution In Value Of Investments** | | **83.01** | 83.01 |

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

| | Particulars | As At 31 March, 2017 | As At 31 March 2016 |
|---|---|---|---|
| **13.** | **Long Term Loans And Advances** | | |
| | **(Unsecured, Considered Good)** | | |
| | **Capital Advances** | **-** | - |
| | Security Deposits | **229.49** | 215.65 |
| | Advance Income Tax (Net Of Provision) | **194.73** | 194.73 |
| | Other Loans And Advances (Includes Deposits Received And Advances Recoverable) | **253.51** | 565.00 |
| | | **677.73** | 975.38 |
| | Other Loans And Advances Considered Doubtful | **486.57** | 160.48 |
| | Less: Provision For Doubtful Advances | **486.57** | 160.48 |
| | | **-** | - |
| | **Total** | **677.73** | 975.38 |
| **14.** | **Inventories** | | |
| | **(At Lower Of Cost And Net Realisable Value)** | | |
| | Raw Materials | **405.87** | 993.38 |
| | Raw Materials-In-Process | **-** | - |
| | Raw Material In Transit | **-** | - |
| | Semi-Finished Goods | **543.30** | - |
| | Finished Goods | **253.16** | 743.58 |
| | Stock-In-Trade | **-** | - |
| | Stores And Spare Parts | **83.43** | 116.69 |
| | Others (Scrap) | **8.63** | 25.90 |
| | **Total** | **1,294.39** | 1,879.55 |
| **15.** | **Trade Receivables** | | |
| | **Outstanding For A Period Exceeding Six Months From The Date They** | | |
| | Become Due For Payment (Unsecured) | | |
| | (A) Considered Good | **10,761.78** | 9,313.34 |
| | (B) Considered Doubtful | **995.22** | 696.10 |
| | Less: Provision For Doubtful Debts | **995.22** | 696.10 |
| | Other Receivables (Unsecured) | **-** | - |
| | Considered Good | **1,854.80** | 1,593.45 |
| | **Total** | **12,616.58** | 10,906.79 |
| **16.** | **Cash And Cash Equivalents** | | |
| | **Balances With Banks** | **266.23** | 509.40 |
| | Unclaimed Dividend | **-** | - |
| | Margin Money | **0.05** | 0.05 |
| | Cash On Hand | **11.23** | 13.58 |
| | **Total** | **277.51** | 523.03 |

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

| | Particulars | For The Year Ended 31 March, 2017 | For The Year Ended 31 March, 2016 |
|---|---|---|---|
| **17.** | **Short Term Loans And Advances** | | |
| | **(Unsecured, Considered Good)** | | |
| | Loans And Advances To Related Parties | **883.23** | 1,540.38 |
| | Balance With Port Trust, Customs And Excise | **-** | - |
| | Advance To Suppliers | **1,595.14** | 1,875.25 |
| | Advance To Employees | **24.26** | 13.95 |
| | Inter Corporate Deposit | **1,326.44** | 1,595.44 |
| | Vat Recoverable | **1,129.81** | 1,018.11 |
| | Advances Others | **5,753.23** | 5,343.72 |
| | Less Provision For Doubtful Advances | **750.00** | 750.00 |
| | Advances Others Net Of Provisions | **5,003.23** | 4,593.72 |
| | **Total** | **9,962.11** | 10,636.85 |
| **18.** | Contingent Liabilities And Commitments (To The Extend Not Provided For) | | |
| | 1 Non Provision Of Interest Post Npa Claims Not Acknowledge As Debts | **13,651.62** | 9,496.57 |
| | 2 Disputed Demands | **20,922.53** | 18,252.89 |
| | **Total** | **34,574.15** | 27,749.46 |
| **19.** | **Revenue From Operations** | | |
| | Sale Of Products | **14,305.32** | 9,210.57 |
| | Other Operating Revenues | **-** | |
| | (A) Sale Of Scrap | **697.58** | - |
| | (B) Export Incentives | **0.01** | 6.61 |
| | © Job Work Income | **1,211.13** | 514.68 |
| | **Total** | **16,214.04** | 9,731.86 |
| | Less : Excise Duty | **521.88** | 583.21 |
| | **Total** | **15,692.16** | 9,148.65 |
| **20.** | **Other Income** | | |
| | Interest Income | **0.60** | 72.41 |
| | Excess Provision Written Back (Net) | **11.96** | 825.10 |
| | Net Gain On Foreign Currency Translation And Transaction | **16.34** | 623.42 |
| | Other Non-Operating Income | **62.64** | 732.06 |
| | **Total** | **91.54** | 2,252.99 |
| **21.** | **Cost Of Materials Consumed** | | |
| | Hot Rolled Steel | **-** | 6,673.86 |
| | H.R. Coil | **11,793.15** | 22.13 |
| | Zinc And Zinc Alloy | **621.17** | - |
| | Others | **88.78** | 13.45 |
| | **Total** | **12,503.10** | 6,709.44 |

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

| | Particulars | For The Year Ended 31 March, 2017 | For The Year Ended 31 March, 2016 |
|---|---|---|---|
| **22.** | **Purchase Of Stock In Trade** | | |
| | H.R/C.R/G.P Coil Gi Sheet & Pipes | **46.88** | - |
| | **Total** | **46.88** | - |
| **23.** | **Changes In Inventories Of Finished Goods, Work-In Progress And Stock-In-Trade** | | |
| | **Inventory At The Beginning Of The Year:** | | |
| | Finished Goods / Stock-In-Trade | **712.33** | 1,002.91 |
| | Semi-Finished Goods | **-** | - |
| | Scrap Etc. | **23.01** | 2.45 |
| | | **735.34** | 1,005.36 |
| | Less: | | |
| | Inventory At The End Of The Year: | | |
| | Finished Goods / Stock-In-Trade | **253.16** | 712.33 |
| | Semi-Finished Goods | **543.30** | - |
| | Scrap Etc. | **8.62** | 23.01 |
| | | **805.08** | 735.34 |
| | | **(69.74)** | 270.03 |
| | Variation In Excise Duty On Closing And Opening Stock Of Finished Goods | **29.09** | (26.01) |
| | **Total** | **(40.65)** | 244.01 |
| **24.** | **Employee Benefit Expenses** | | |
| | Salaries And Wages | **624.73** | 703.55 |
| | Contribution To Provident And Other Funds | **31.38** | 30.21 |
| | Staff Welfare Expenses | **27.49** | 3.37 |
| | **Total** | **683.60** | 737.13 |
| **25.** | **Finance Cost** | | |
| | Interest Expenses | **123.20** | 1,037.01 |
| | Other Borrowing Costs | **743.64** | 6.47 |
| | **Total** | **866.84** | 1,043.48 |

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

| | Particulars | For The Year Ended 31 March, 2017 | For The Year Ended 31 March, 2016 |
|---|---|---|---|
| **26.** | **Other Expenses** | | |
| | Manufacturing Expenses | | |
| | Consumption Of Stores And Spares | **390.79** | 91.33 |
| | Power, Fuel And Water | **495.77** | 459.26 |
| | Repairs To: (Excludes Stores And Spares Issued) | | |
| | (A) Buildings | **0.77** | 0.80 |
| | (B) Machinery | **11.56** | 11.98 |
| | Conversion, Octroi And Other Manufacturing Expenses | **421.99** | 239.78 |
| | | **1,320.88** | 803.15 |
| | Selling And Distribution Expenses | | |
| | Freight, Forwarding And Handling Expenses | **1,075.16** | 644.22 |
| | Commission | **8.87** | 6.96 |
| | | **1,084.03** | 651.18 |
| | Establishment Expenses | | |
| | Rent (Net) | **3.79** | 12.55 |
| | Insurance | **5.53** | 6.61 |
| | Rates And Taxes | **14.15** | 16.22 |
| | Miscellaneous Expenditure | **961.01** | 826.43 |
| | Payment To Auditors' | **-** | - |
| | (A) Statutory Auditors: (Excluding Service Tax) | **-** | - |
| | (A) Audit Fees | **9.00** | 9.00 |
| | (B) Limited Review Fees, | **2.00** | 1.50 |
| | (C) Other Services, | **-** | 1.95 |
| | (D) For Reimbursement Of Expenses | **0.72** | 0.13 |
| | (B) Cost Audit Fees | **-** | - |
| | Other Repairs | **7.25** | 18.08 |
| | Loss On Fixed Assets Sold/Discarded | **-** | - |
| | Bad Debts, Irrecoverable Advances And Claims Written Off | **992.60** | 2,827.28 |
| | **Total** | **4,400.96** | 5,174.08 |

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended 31-Mar-17 | | For the year ended 31-Mar-16 | |
|---|---|---|---|---|
| | (₹ In Lacs) | % | (₹ In Lacs) | % |
| **27. IMPORTED AND INDIGENOUS CONSUMPTION** | | | | |
| **(i) Raw Material (Incliding Components)** | | | | |
| Imported | - | | - | |
| Indigenous | 7,274.67 | 100.00 | 5,968.67 | 100.00 |
| **TOTAL** | **7,274.67** | **100.00** | **5,968.67** | **100.00** |
| **(ii) Spares** | | | | |
| Imported | - | | - | |
| Indigenous | 390.79 | 100.00 | 91.33 | 100.00 |
| **TOTAL** | **390.79** | **100.00** | **91.33** | **100.00** |

| | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|---|---|
| | (₹ In Lacs) | (₹ In Lacs) |
| **28. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF** | | |
| (i) Raw Material (including canalised items) | - | - |
| (ii) Spare Parts | - | - |
| (iii) Capital Goods | - | - |
| **TOTAL** | **-** | **-** |
| **29. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF** | | |
| (i) Commission | - | - |
| (ii) Interest and Bank Charges | 160.75 | 143.08 |
| (iii) Other (Travelling) | - | 2.76 |
| **TOTAL** | **160.75** | **145.84** |
| **30. EARNINGS IN FOREIGN CURRENCY** | | |
| F.O.B. Value of Exports | 230.40 | 2,494.20 |
| **TOTAL** | **230.40** | **2,494.20** |

## CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS

### 31. ACCOUNTING POLICIES

**(a) Basis of Accounting**

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:**

iI 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:**

The company has ascertained the useful life of its various assets and charged depreciation in accordance with Schedule II of the Companies Act, 2013.

**(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 net realisable 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 revalorised 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 capitalized or written off or in the year in which decision is taken to either capitalize it or abandon the project.

**(l) Taxes on Income:**

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

**(m) Impairment of Assets:**

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

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

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

32. **a) Subsidiaries**

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

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

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

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

**34.** The outflow of the resources in respect of pending disputed matters in respect of Sales Tax, Income Tax, VAT and Excise Duty would depend on the ultimate outcome of the disputes lying before various authorities amounting to ₹21216.64 Lacs (previous year ₹18789.06 Lacs) however company has made the provision of ₹294.11 Lacs. The Company has taken legal and other steps necessary to protect its position in respect of these claims.

| **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 transaction have taken place and relationships :** | |
| **Sr. No.** | **Name of the Related Party** | **Relationship** |
| 1 | Birla Shloka Edutech Ltd | Enterprise Owned or significantly influenced by Key Managerial personnel or their relatives where transactions have taken place. |
| 2 | Birla International Pvt Ltd | |
| 3 | Melstar Information Technologies Ltd | |
| 4 | Godavari Corporation Pvt Ltd | |
| 5 | Khopoli Investments Ltd | |
| 6 | Zenith Dye intermediates Ltd | |
| 7 | Shri Ashish Mahendrakar - Director | Key Management Personnel |
| 8 | Smt. Minal Umesh Pote | |
| 9 | Shri Milind Bhaskar Prabhudesai | |
| 10 | Shri Pritam Dhanawade | |
| 11 | Shri Pushkar Natu - CEO | |
| 12 | Shri B. Girvanesh - CFO | |
| 13 | Shri Vimal Prakash Dubey - Co. Secretary (resigned w.e.f. 31/07/16) | |
| 14 | Shri Suneel Sullere - Co. Secretary (w.e.f. 01/08/16) | |

**(₹ In lacs)**

| **Net Balance of Receivable, Payable, Deposits, Loan etc.** | | | **Balance Carried to Balance Sheet (Net) as at 31-03-2017** | | **Balance Carried to Balance Sheet (Net) as at 31-03-2016** | |
|---|---|---|---|---|---|---|
| | | | **Receivable** | **Payable** | **Receivable** | **Payable** |
| i) Enterprises Owned or significantly influenced by key management personnel or their relatives. | 1 | Melstar Information Technologies Ltd | **2.56** | **-** | 2.56 | - |
| | 2 | Birla Shloka Edutech Ltd. | **-** | **75.31** | - | 75.31 |
| | 3 | Zenith Dyeintermediates Ltd | **-** | **3464.01** | | 1227.88 |
| | 4 | Godavari Corporation Pvt Ltd | **543.17** | **-** | 541.55 | - |
| | 5 | Birla International Pvt. Ltd. | **291.34** | **-** | 291.34 | - |
| | 6 | Khopoli Investments Ltd. | **18.17** | **-** | 18.17 | - |

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

**(b) Transaction with related parties** **(₹ In lacs)**

| | Key Management Personnel | | Enterprise owned and significantly influenced by Key Management personnel or their relatives | |
|---|---|---|---|---|
| | **3/31/2017** | **3/31/2016** | **3/31/2017** | **3/31/2016** |
| Sale of Goods | - | - | 2155.61 | 179.54 |
| Jobwork Income | - | - | 821.90 | - |
| Remuneration | 44.63 | 40.98 | - | - |

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

| **Sl No.** | **Particulars** | **(₹ in Lacs)** | |
|---|---|---|---|
| | | **2016-17** | **2015-16** |
| 1 | Sale of Goods | | |
| | Zenith Dye intermediate Limited | 2155.61 | 179.54 |
| 2 | Jobwork Income | 821.90 | - |
| 3 | Remuneration Paid | 44.63 | 40.98 |

36. 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 utilization of follow on public offer proceeds, so that the company can also utilize the proceeds for. Manufacturing of SAW & ERW pipes at Chennai or at such other locations as may be decided by the Board. Out of ₹13500 Lacs, ₹8036 Lacs will be utilized from the unutilized proceeds of public issue and balance ₹5464 lacs will be from unutilized proceeds of GDR issue. The detail of utilization of proceeds of ₹13500 lakh is given here under:

(₹ in lakh)

| **Particulars** | **Projected Amt** | **Amount to be spent** |
|---|---|---|
| Land and Building | 1,000.00 | 1,000.00 |
| Plant and Machinery(Imported&Indigenous) | 8,532.00 | 8,321.00 |
| Miscellaneous Fixed assets | 3,696.00 | 3,696.00 |
| Contingency | 272 | 272 |
| **Balance amount to be spent** | **13,500.00** | **13,289.00** |

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

**38. Computation for Earning Per Share**

| | 2016-17 | 2015-16 |
|---|---|---|
| Profit for the Year | **(3313)** | **(3,266)** |
| Weighted Average Number of equity Share | **131,280,448** | **131,280,448** |
| **TOTAL** | | |
| Earning Per Share | **(2.52)** | **(2.49)** |

**39. Segment Information**

**A. PRIMARY BUSINESS SEGMENT**

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

**B. SECONDARY SEGMENT – Geographical by Customers**

**(₹ in Lacs)**

| | | |
|---|---|---|
| 1 | **Segment Revenue** | **Year to date figures for Current year 31.03.2017 ₹ In Lacs** |
| | a) In India | 7,195.26 |
| | b) Outside India | 8,588.44 |
| | **Total** | **15,783.70** |
| 2 | **Carrying Cost of Assets by Location of Assets** | |
| | **a) In India** | **22,935.03** |
| | **b) Outside India** | **12,363.00** |
| | | **35,298.03** |
| | Unallocated | - |
| | **Total** | **35,298.03** |
| **3** | **Additional to Assets and Intangible Assets** | |
| | a) In India | 246.65 |
| | b) Outside India | - |
| | **Total** | **246.65** |

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 gain relating to the financial year 2016-17 amounting to ₹55.27 lacs, has been adjusted to the cost of fixed assets.

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

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

42. Balances of Sundry Creditors, Debtors, Loans and Advances, Deposits and Inter Unit Balances are as per books of accounts in absence of confirmation and reconciliation thereon.

43. The company has declared a lockout at its Khopoli Unit since November. 2013

44. The company has not provided interest to the extent of ₹38.36 crores during the year and ₹136.52 crores upto 31-03-17 on certain bank outstanding which were classified as non-performing assets during the previous year.

45. Consortium of banks has taken action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 in February,2014 and called upon the company to repay the amount of Rs 193.19 Crores towards the dues as on 31.01.2014 within sixty days. Thereafter the consortium of banks have taken symbolic possession on 29.05.2014 of the immovable assets at the Khopoli unit.

46. Interest amounting to ₹4.84 crores during the year on ICD's given by the company is not considered as income due to realisability not being certain.

47. Debit balances aggregating ₹9.93 crores considered unrealizable have been written off as a prudent measure

48. The accumulated losses till 31st March, 2017 ,has exceeded the share capital value including other reserves, thereby the net worth of the company has been completely eroded. However on account of strategic understanding with suppliers/customers the company is on the revival mode and is operating some of the units. In view of the same the going concern concept holds good.

**49. Details of Specified Bank Notes (SBN) held and transacted during the period 8.11.2016 to 30.12.2016 in respect of the holding Company.**

| | TOTAL | | | |
|---|---|---|---|---|
| | SBN | | OTHER DENOMINATION NOTES | TOTAL |
| CLOSING CASH IN HAND AS ON 08.11.2016 | (₹1000*73) | 73,000.00 | 2,73,929.00 | 4,41,929.00 |
| | (₹500*190) | 95,000.00 | | |
| (+) PERMITTED RECEIPT | | - | 10,32,447.00 | 10,32,447.00 |
| (-) PERMITTED PAYMENT | | - | 11,39,560.00 | 11,39,560.00 |
| (-) AMOUNT DEPOSITED IN BANK | | 1,68,000.00 | - | 1,68,000.00 |
| CLOSING CASH IN HAND AS ON 30.12.2016 | | - | 1,66,816.00 | 1,66,816.00 |

50. Corresponding previous year figures have been regrouped/recast and reclassified to make them comparable.

As Per Our Attached Report of Even Date

**For Thakur Vaidyanath Aiyar & Co.**

Chartered Accountants
Firm Registration No.: 000038N

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

**Mumbai, 30.05.2017**

**By Order of the Board**

**Milind Prabhudesai**
Director
DIN. 07820962

**Ashish Mahendrakar**
Director
DIN. 03584695

**Pushkar Natu**
Chief Executive Officer

**B.Girvanesh**
Chief Financial Officer

**Suneel Sullere**
Company Secretary
ACS. 42922

**ZENITH BIRLA (INDIA) LIMITED**

Registered Office: Dalamal 5th Floor, Industry House, 159, Churchagate Reclamation, Mumbai – 400 020.
Tel: 022-66168400, Fax-022-220478351, Email : zenith@zenithsteelpipes.com, Website : www.zenithsteelpipes.com

Dear Shareholder,

**Re: Green Initiative in Corporate Governance**

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

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

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

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

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

Please note that, upon receipt of a requisition from you, the Company shall send all these documents on the address registered with the Company free of cost.
Please note that the Annual Report of your Company along with all future notice/ communication/ documents will be displayed on the Company's website www.zenithsteelpipes.com

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

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

**Thanking You,**

**Yours faithfully,**

**For Zenith Birla (India) Limited.**

**Sd/-**
**Suneel Sullere**
**Company secretary.**
**ACS : 42922**

**ZENITH BIRLA (INDIA) LTD**

CIN: L29220MH1960PLC011773

Regd. Office: 5th Floor, Industry House, 159, Churchgate Reclamation,Mumbai - 400020

Tel: 022-66168400, Fax: 022-22047835 ● Email: shares@zenithsteelpipes.com ● Website: www.zenithsteelpipes.com

**ATTENDANCE SLIP**

Client ID* Folio No.

DP ID* No. of Shares

I/We hereby record my/our presence at the FIFTY FIFTH ANNUAL GENERAL MEETING of the Company on Friday, the 29th September, 2017 at 2.00 p.m. at 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

_____ _____

Full Name of the Shareholder/Proxy Signature.

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

*Applicable for investors holding Shares in electronic form.

---------- (TEAR HERE) ----------

**ZENITH BIRLA (INDIA) LTD**

CIN: L29220MH1960PLC011773

Regd. Office: 5th Floor, Industry House, 159, Churchgate Reclamation,Mumbai - 400020

Tel: 022-66168400, Fax: 022-22047835 ● Email: shares@zenithsteelpipes.com ● Website: www.zenithsteelpipes.com

**PROXY FORM**

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

| Name of the Member(s) | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Registered Address : | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Email Address: | | | | | | | | | | | | | | | | |
| Folio No./Client Id | | | | | | | | | | | | | | | | |
| Dp Id | | | | | | | | | | | | | | | | |

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

1. Name_____ of_____

   Email: _____ Signature_____ or failing him/her,

2. Name_____ of_____

   Email: _____ Signature_____ or failing him/her,

3. Name_____ of_____

   Email: _____ Signature_____ or failing him/her,

---------- (TEAR HERE) ----------

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the FIFTY FIFTH Annual General Meeting of the company, to be held Friday, the 29th September, 2017 at 2.00 p.m. at 29th September, 2017 at 2.00 p.m. at 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 and at any adjournment thereof, in respect of such resolutions are:

| Resolution Number | Resolution | Vote (Optional see note 2) (Please mention no. of Shares) | | |
|---|---|---|---|---|
| | | For | Against | Abstain |
| **Ordinary Business:** | | | | |
| 1. | 1.To receive, consider and adopt:<br>a. the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and<br>b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31,2016, together with the Report of the Auditors thereon. | | | |
| 2. | To appoint a Director in place of Mr. Ashish Mahendrakar (DIN:03584695) who retires by rotation and being eligible, offers himself for re-appointment. | | | |
| 3. | Appointment M/s.Thakur, Vaidyanath Aiyer & co., Chartered Accountants as Statutory Auditors and fixing their remuneration. | | | |
| **Special Business:** | | | | |
| 4. | Ratification of Cost Auditors remuneration: | | | |
| 5. | Issue of Equity Share on preferential basis. | | | |

Signed this_____ day of _____, 2017

Affix Re.1 Reveue Stamp

Signature of Shareholder:

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
2. It is optional indicate your preference. If you leave the For, Against or Abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

## E-Communication Registration Form

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

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

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

Folio No. : _____

DP ID : _____

Client ID : _____

PAN : _____

Name of First Registered Holder : _____

Name of Joint Holder(S) : _____

Registered Address : _____

Email ID : _____

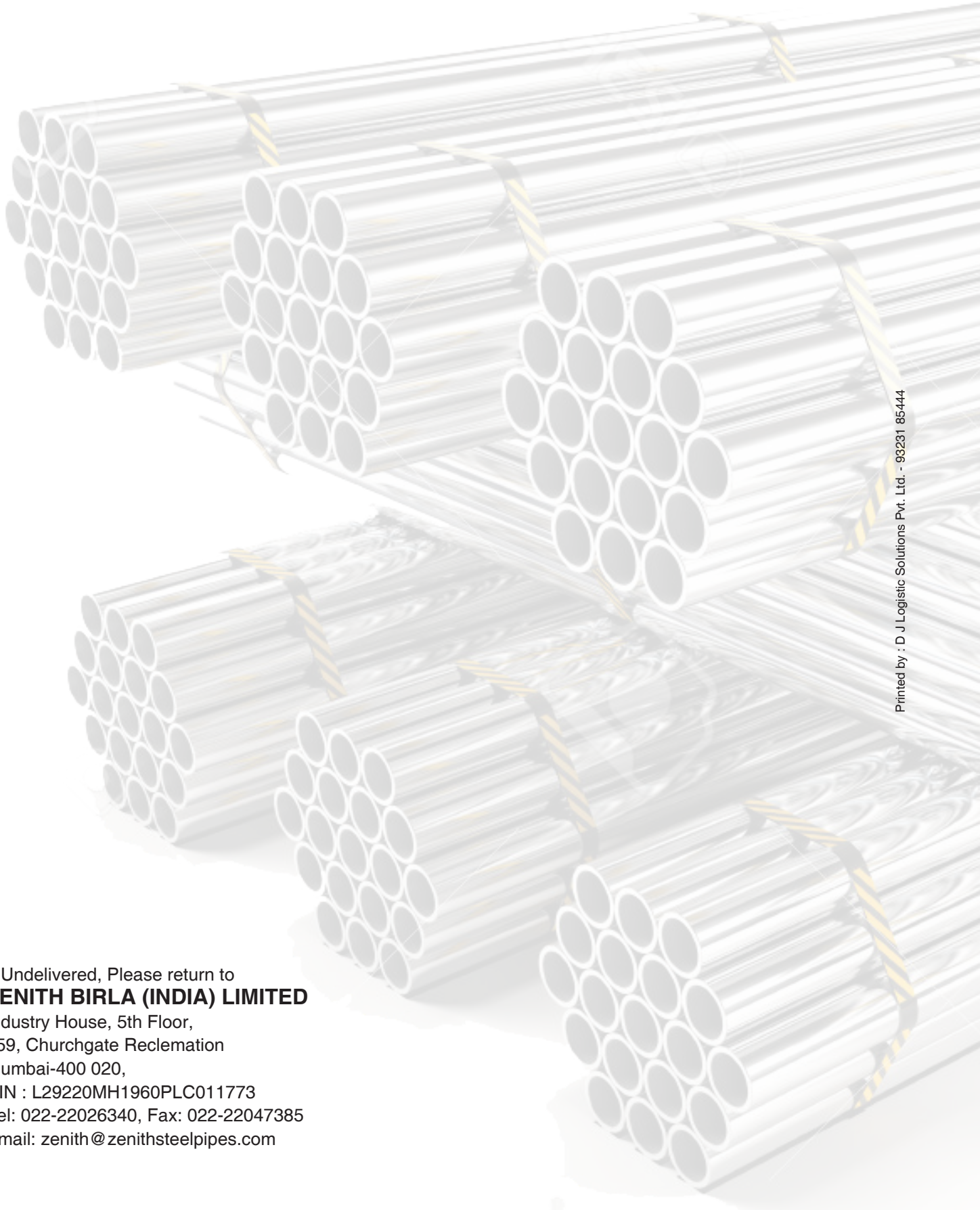
Date : _____ Signature of the first Holder_____

Important Notes:

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

NOTE

COURIER / REGISTERED POST / SPEED POST



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Tel: 022-22026340, Fax: 022-22047385
Email: zenith@zenithsteelpipes.com