



THE YASH BIRLA GROUP

ZENITH BIRLA (INDIA) LIMITED



Annual Report 2012 - 2013

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ATTENDANCE SLIP AND PROXY FORM



CORPORATE INFORMATION

- Board of Directors**

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

- Company Secretary & Compliance Officer**

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

- Auditor**

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

- Bankers**

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

- Works**

- Khopoli Unit**

Tal. Khopoli
Dist Raigad
Maharashtra 410203

- Murbad Unit**

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

- Tarapur Unit**

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

- Kanchi Puram Unit**

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

- Trichy Unit**

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

- Registered Office**

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

- Corporate Office**

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

- Registrars & Share Transfer Agents**

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



NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

I. SALARY/ PERQUISITES/BENEFITS/ALLOWANCE

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



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

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

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

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

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

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

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

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

The allottees being as follows:

Promoter and Promoter Group:

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

**RESOLVED FURTHER THAT:**

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

RESOLVED FURTHER THAT:

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

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

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

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

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

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

**Vimal Prakash Dubey
Company Secretary**



Notes:

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

10. Important communication – Support Green Initiative

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

Item no. 7

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

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

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

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

OR

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

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

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

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

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

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

i. Object of Issue:

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

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

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