



ANNUAL REPORT 2013-14

RAMA STEEL TUBES LIMITED

Regd. Office:15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002.



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BOARD OF DIRECTORS AND CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Naresh Kumar Bansal - Chairman cum Managing Director
Mr. Richi Bansal
Mr. Rajeev Kohli
Mr. Surender Kumar Sharma

Company Secretary

Mr. Kapil Datta

Registered Office

15/1, 2nd Floor, Asaf Ali Road,
New Delhi-110002, Delhi, India

Corporate Office

7, 1st Floor, Surya Niketan
New Delhi-110092

Fax No.: 011-43656699

Telephone No.: 011-43656667

Works:

1. B-21, Site No.4,
Industrial Estate,
Sahibabad, Uttar Pradesh
2. B-5, Site No. 4,
Sahibabad Industrial Area,
Uttar Pradesh.
3. 151, Village Umbare Talik, Khalapur,
Khopoli, Pali Road,
Distt. Raigad, Maharashtra

Auditors

M/s VAPS & Co.
Chartered Accountants

Cost Auditor

S.Shekhar & Co.
Cost Accountants

Bankers

Canara Bank
Punjab National Bank
HDFC Bank Limited

Registrar and Share Transfer Agent to the Company

Big Share Services Private Limited
4E/8, First Floor,
Jhandewalan Extension,
New Delhi-110055, Delhi, India
Contact Person Mr. Srinivas Dornala
Telephone No.: 011-23522373
Email Id: bssdelhi@bigshareonline.com
Fax No.: 011-23522373

Directors' Report

Dear Members,

Your Directors are pleased to present the 40th Annual Report together with the Audited Annual Accounts of the company for the year ended 31st March, 2014 and Auditor's Report thereon.

Performance Review

The company's performance during the year ended review, is summarized below :

(₹ In Lacs)

Particulars	For the year ended 31-03-2014	For the year ended 31-03-2013
Gross Turnover	18,134.93	18,523.62
Other Income	360.64	556.69
Total Revenue	18,495.57	19,080.31
Profit before Interest, Depreciation & Tax	878.01	880.15
Financial Expenses	456.45	541.40
Depreciation	177.43	178.66
Profit before Tax	244.13	160.09
Provision for Taxation	30.97	49.34
Profit after Tax	213.16	110.75

Operations Overview

Turnover has slightly declined from ₹185.24 Crores to Rs.181.35 Crores in the Current Year due to decline in exports from ₹ 46 Crores in 2012-13 to ₹ 35 Crores in the current year. However, the profit margins have been maintained at the previous year level as Net Profit before Interest and Depreciation was ₹ 8.78 Crores as against ₹ 8.80 Crores in the previous year. , The Net Profit after tax has increased from 1.11 crores to 2.13 Crores.

Re-structuring of Share Capital of the Company

The Share Capital of the Company has been restructured in order to expand company's operations and meeting the mandatory requirements of the Companies Act, 1956 and fulfill the commitments to Banks and other Financial Institutions. The Authorized Share Capital of the company has been restructured as under;

5,00,000	Equity Shares of ₹10/- each	₹ 50,00,000
25,00,000	5% Non Cumulative Preference Shares of ₹ 10/-each	₹ 2,50,00,000

10,00,000 5% Non Cumulative Preference Shares of ₹ 10/- each fully paid Cash at par were issued for the aggregate amount of ₹ 1,00,00,000/ Thus, the total share capital of the company stands increased to ₹ 1,24,89,000.00

Dividend

In order to augment the working capital resources of the company, the Board has not recommended any dividend for the year under review.

Director's Responsibility Statement

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial Year ended 31st March 2014, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the profit of the company for that Period.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies act ,1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- (iv) That the directors had prepared the annual accounts for financial Year ended 31st March 2014 on a going concern basis.

Public Deposits

The company has duly complied with the provisions of section 58 A of the Companies Act, 1956 read with the companies (Acceptance of Deposits) Rules, 1975 and no amount of principal or interest was overdue for payment in respect of deposits as on the date of Balance Sheet.

Listing of Equity Shares

The Equity shares of the company are listed on the Delhi Stock Exchange (DSE). Listing fees for the financial year 2013-14 has been duly paid to the Stock Exchange. In order to get Company's Share quoted at the Stock exchanges, the Company has approached BSE Limited for Listing our Share for active trading. Necessary steps are being taken to get the needful done. The Company has already appointed Registrar & Transfer Agents. The Shareholders have also been asked to get their holding dematerialized. It is expected that Company's Shares will start trading at the BSE in the current financial year.

Information regarding Employees

As required by the provisions of section 217 (2A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, there is no such employee of the company, covered under these rules and required to be disclosed here.

Personnel / Industrial Relations

During the period under review, your company maintained healthy, cordial and harmonious Industrial relations at all levels. The enthusiasm and sincere efforts of the employee have enabled your company to remain at the forefront of the industry.

Auditors

M/s VAPS & Co., Chartered Accountants, the auditors of the company hold office until the conclusion of the ensuing Annual General Meeting, and being eligible offer themselves for reappointment.

The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the companies Act, 1956. Your Directors recommend reappointment of M/s. VAPS & Co., Chartered Accountants, as Auditors of the Company at the ensuing Annual General Meeting.

Remarks of the Auditor's Report

The auditors in their report have pointed out certain matters, which are explained below:-

1. Liability for gratuity and leave encashment shall be provided, as and when the same becomes payable and paid, as in the opinion of the Directors, it is not necessary to create provision on the basis of the estimated amount of gratuity and leave encashment liability on actuarial basis.
2. The other remarks in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Sh. Richi Bansal, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The Present strength of the Board of Directors is 4 (Four).

Compliance Certificate by Company Secretary

As required by the Companies (Compliance Certificate) Rules, 2001, Compliance Certificate has been obtained from Company Secretary in practice.

Corporate Governance

Your Company is committed to follow the best of the Corporate Governance Practices and follows the same while conducting the affairs of the Company. A Report on Corporate Governance along-with a certificate from Auditors of the Company has been incorporated as a part of this Annual Report.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of Annual Report.

Particulars of conservation of energy, technology absorption and foreign Exchanges earning and outgo.

In accordance with the requirement of sec. 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 a statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed hereto and forms part of this report.

Acknowledgements

The Directors acknowledge the contributions made by the employees towards the success and growth of the company. Your Directors also take this opportunity to express sincere thanks to the Government Authorities, Financial Institutions and the Bankers for their co-operation and assistance to the Company. The Directors would also like to acknowledge the continued support of the Company's shareholders in all its endeavors.

For and on behalf of the Board of Directors

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place : New Delhi

Date : : 1st September 2014

ANNEXURE TO THE DIRECTOR'S REPORT

Statement containing particulars pursuant to companies (Disclosure of particulars) in the Report of Board of Directors :

A) CONSERVATION OF ENERGY :

- a) The Company has always been particular to conservation of energy on continuous basis by closely monitoring energy consuming equipment involving use of energy generating diesel set and power purchased from Electricity Board e.g. size of the Equipments is optimum to save energy. The low-efficient Machinery and Equipments are identified and replaced.
- b) Keeping in view the nature of the manufacturing process no additional investment is proposed and hence further consumption of energy is ruled out in the near future.
- c) No specific studies regarding impact of the above measures of (a) and (b) have been carried out and the cost impact of energy cost and energy saving measures on cost of production of goods is not material, as it forms a very low percentage vis-a vis the cost of Company's product.
- d) Total energy consumption and energy consumption per unit of production is given as per Form-A.

B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

I. RESEARCH AND DEVELOPMENT (R&D)

a) Specific area in which R & D carried out by the Company :

There is no specific area in which the Company has carried the R & D. However, the Company is continuously making efforts for improvements in its production process for better productivity and cost efficiency.

b) Future plan of action

The Company plans to monitor continuously the plant efficiency thus reducing the shortage and reducing the cost of production.

c) Expenditure on R & D

The company did not incur any Expenditure on R & D.

II. TECHNOLOGICAL, ABSORPTION, ADAPTATION & INNOVATION :

a) Efforts made towards Technology Absorption :

For the goods manufactured by the Company there is a simple process of ERW manufacturing technique and the Company has already adopted the same and no innovations have been carried by the company, as there is no other available alternative that would ensure further cost efficiency.

b) Particulars relating to imported technology :

The Company has not imported any technology and the plant is working with completely Indigenous Technical know-how.

C) FOREIGN EXCHANGE EARNING AND OUTGO :

(₹ In Lacs)

	Current year	Previous year
a) Total Foreign Exchange Earning	3472.39	4575.63
b) Total Foreign Exchange Outgo	32.21	6.79

FORM - 'A'

A. POWER AND FUEL CONSUMPTION :

	Current Year	Previous Year
1. Electricity		
(a) Purchased Unit	3104744	3082119
Total amount (in Rs.)	24380796	21495055
Rate/unit	7.85	6.97
(b) Own generation		
Through Diesel Generator Unit	223992	428042
Unit per Litre of Diesel Oil	4.59	4.62
Total Amount (in Rs.)	2660606	4005627
Cost/Unit	11.88	9.35
2. Furnace Gas Quantity(Sq.Cubic Mtr)	249561	276795
Total Amount (in Rs.)	11233310	10593099
Average Rate Rs./sq.cubic Mtr.	45.01	38.271

B. CONSUMPTION PER UNIT OF PRODUCTION

NAME OF PRODUCT	UNIT	ELECTRICITY (UNIT)		FURNACE GAS (SQ. CUBIC MTR)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Black Steel Tubes/Pipes	Per Ton	77.74	78.77	--	--
Galvd. Steel Tubes/Pipes	Per Ton	82.41	83.50	25.44	26.10

For and on behalf of the Board

Sd/-
Naresh Kumar Bansal
Managing Director

Place: New Delhi

Dated : 1st September 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

World Economic Environment

The world economy has experienced subdued growth for another year in 2013. Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling against the lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new headwinds during 2013 on both international and domestic fronts.

In its latest World Economic Outlook update, IMF projects a 3.4% growth for 2014. Global growth is expected to rebound from the second quarter of 2014. With somewhat stronger growth expected in some advanced economies next year, the global growth projection for 2015 is at 4%. Downside risks remain a concern. Increased geopolitical risks could lead to sharply higher oil prices. Global growth could be weaker for longer, given the lack of robust momentum in advanced economies.

World Steel Scenario

World crude steel production reached 1606 million tonnes for the year 2013, up by 3% compared to 2012. The growth came mainly from Asia while crude steel production in all other regions (other than Africa) decreased in 2013 compared to 2012. China's crude steel production in 2013 reached 779 million tonnes, an increase of 6.6% over 2012. The EU recorded a negative growth of 1.8% compared to 2012, producing 165.6 million tonnes (MT) of crude steel in 2013.

It was feared that there would be a lower steel demand in 2013 due to continued Eurozone crisis and anticipated hard landing of China.

However, there has been a stronger than expected performance in the developed world in the second half of the year. The world finished steel consumption in 2013 grew by 3.6% to 1.48 billion tonnes. While steel consumption in this period grew at 6.1% in China, the growth was much weaker in India at 1.8%. In India, steel demand is expected to grow by 3.3% to 76.2 MT in 2014, due to an improved outlook for the construction and manufacturing sectors, even though it will be constrained by high inflation and structural problems (Source : Worldsteel).

Indian Economic Environment

Financial Year 2013-14 constituted another sub 5% GDP growth year, with the overall GDP growth for fiscal 2013-14 estimated at 4.7%, which is only marginally higher than 4.5% of 2012-13. Industrial growth remains the weakest link in reviving economic growth, staying put at 0.4% over previous year.

Mining & Quarrying and Manufacturing posted negative growth of (-) 1.4% & (-) 0.7% respectively. For eight 'core' industries—coal, fertilizer, electricity, crude oil, natural gas, refinery products, steel, and cement—the average growth rate declined from 6.5 per cent during 2012-13 to 2.7 percent during 2013-14. However, there has been a marginal recovery in construction sector which grew at 1.6% aggregated for the sector. The growth registered in electricity was 6.1% while capital goods and consumer durables showed decline of 3.6% and 12.2% respectively.

However, IMF in its latest outlook (July, 2014) has stated that growth in India appears to have bottomed out, and activity is projected to pick up gradually after the post-election recovery in business sentiment, offsetting the effect of an unfavourable monsoon on agricultural growth.

Indian Steel Scenario

Amongst the large steel consuming nations, the steel consumption growth in India has been 2nd only to China. With the steel consumption growth rate in China projected to moderate to around 3% in future, India is going to emerge as fastest growing major steel consuming nation.

During 2013-14, domestic crude steel production was 81.5 million tonnes, a growth of 4% over 2012-13. Total finished steel at 85 million tonnes, registered a growth of 4.1% during 2013-14. Export of finished steel at 5.6 million tonnes exceeded the imports of 5.4 million tonnes, after a gap of 5 years. Higher exports were driven by volatility of the rupee, and mismatched demand-supply situation in 2013-14 vis-à-vis previous year

Outlook, Risk and Concern

Management of risks to the business is a continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risks, industry segment risks and economic risks are well understood and the means to handle them are also fairly established.

To counter all these risks, your company conducting its risk identification, assessment and management activities through a dedicated risks and audit department. This Department has been set up by your company expressly to anticipate the impact of potential and economical risk factors to the business and provide guidance on how to handle them so as to minimize their business impact.

Adequate management control is in place to ensure quick action on early warnings, and to proactively monitor and mitigate all potential risks. A comprehensive risk Management strategy developed by the risk and Audit Department forms the framework for all de-risking and risk mitigation activities undertaken by your company with the fullest involvement of top management professionals.

Opportunities and Threats

Considering that the economy on the whole is on the path of growth, the Company foresees a lot of opportunities coming up with new projects/expansion of existing projects of the Company in the future. The Company can also explore other opportunities in the Capital market, which may come up.

The steel industry is characterized by cyclical fluctuations in prices. Downward movement in the Steel prices could adversely affect margins of the Steel Companies, which could be a major threat to the Company's fortunes.

Adequacy of Internal Control System

The Company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. The Company regularly monitors that all regulatory guidelines are complied with at all levels.

The Audit Committee constituted by the Board reviews the adequacy of internal control system.

Segment Wise Performance

The Company operates only in one segment.

Discussion of Financial Performance

The financial statements are prepared in compliance with the requirements of the Companies Act and the Accounting Standards prescribed by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India.

Cautionary Forward Looking Statements

The company has made forward- looking statements in this document that are subject to risks and uncertainties. Forward- looking statements may be identified by their use of words like 'expects', 'believes', 'estimates' or similar expressions. All statements that address expectations or projections about the future, including, but not limited to, statements about Company's strategy for growth, product development, market position, market expenditures, and financial results are forward looking statements.

For those statements the Company cautions that numerous important factors could affect the Company's actual results and could cause its results to differ materially from those expressed in any such forward looking statements.

Human Resources

Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. Internal transfer, job rotation and training have been inculcated at different levels of the organization hierarchy to evolve team leaders and managers. The above-mentioned measures will ensure motivated workforce, promote the ownership and sharing economic growth of the Company.

**By Order of the Board of Directors
For Rama Steel Tubes Limited**

**Sd/-
Naresh Kumar Bansal
Managing Director**

**Sd/-
Richi Bansal
Director**

Place: New Delhi
Date: **September 1, 2014**

CORPORATE GOVERNANCE REPORT

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good corporate governance. The Company respects the right of its shareholders to information on the performance of the Company and it is its endeavor to maximize the long-term value of the shareholders of the Company.

B. BOARD OF DIRECTORS

The Company is an optimum mix of Executive and independent Directors who have in depth knowledge of market conditions and have expertise in their respective fields. The composition of the Board confirms with the requirement of Clause 49 of the Listing Agreement. . The present composition of Directors is as follows:

a. Independent non-executive Directors	Two
b. Executive Director	Two
c. Total	Four

None of the Directors on the company's board is a member of more than ten Committees and chairman of more than five Committees [Committees being, Audit Committee and Stakeholder Relationship Committee (Erstwhile Investors' Grievance Committee)] across all the Indian public limited companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies.

C. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 14 times during the financial year 2013-14. The attendance of Directors in the Board meetings was as under:

S. No.	Name of Director	Attendance Particulars		
		No. of Board meetings held during their tenures	No. of Board meetings attended	Attendance at the last AGM
1	Naresh Kumar Bansal	14	14	Present
2	Richi Bansal	14	14	Present
3	Rajeev Kohli	14	11	Present
4	Surender Kumar Sharma	14	9	Present

D. AUDIT COMMITTEE

The Audit Committee was formed in the meeting of Board of Directors held on April 2, 2014. The Audit Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges and such other functions as may be specifically delegated to the Audit Committee by the Board from time to time. Since committee got formed last financial year only, the audit committee has not met during the financial year. The name of the Directors who are members of the audit committee are given below:

Name	Designation	Status
Mr. Rajeev Kohli	Non Executive Independent Director	Chairman
Mr. Surender Kumar Sharma	Non Executive Independent Director	Member
Mr. Naresh Kumar Bansal	Managing Director	Member

All members of the Audit Committee are financially literate.

E. STAKEHOLDER RELATIONSHIP COMMITTEE (ERSTWHILE INVESTORS' GRIEVANCE COMMITTEE)

Our Company has constituted a stakeholder relationship committee, shareholder/investors grievance committee ("Shareholders/Investors Grievance Committee") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on April 2, 2014.

The Investor Grievances Committee comprises the following Directors:

Name	Designation	Status
Mr. Surender Kumar Sharma	Non Executive Independent Director	Chairman
Mr. Rajeev Kohli	Non Executive Independent Director	Member
Mr. Richi Bansal	Executive Director	Member

F. NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration committee was approved at a meeting of the Board of Directors held on April 2, 2014. The said committee is comprised as under:

Name	Designation	Status
Mr. Rajeev Kohli	Non Executive Independent Director	Chairman
Mr. Surender Kumar Sharma	Non Executive Independent Director	Member
Mr. Richi Bansal	Executive Director	Member

G. RE-APPOINTMENT OF DIRECTORS

The Board of Directors of the Company is proposing to appoint Mr. Rajeev Kohli as Independent Director as per the applicability of the companies Act, 2013 for a period of five years upto 31st March, 2019. The company has received declaration from the said independent director of the company confirming that they meet the criteria of independence as prescribed both under section 149(6) of the companies act, 2013 and clause 49 of the Listing Agreement.

H. SUBSIDIARY COMPANIES

The Company does not have any subsidiary company as on 31.03.2014

I. GENERAL BODY MEETINGS

The details of last three Annual General Meetings are given below:

YEAR	LOCATION	DATE	DAY	TIME
2013	15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002, Delhi, India	28.09.2013	Saturday	11:00 A.M
2012	15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002, Delhi, India	29.09.2012	Saturday	11:00 A.M
2011	15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002, Delhi, India	29.09.2011	Thursday	10:30 A.M

EGM of the Company was held on July 22, 2013 at 11:30 AM for re-classification of the authorised share capital.

J. SPECIAL RESOLUTION PASSED AT THE LAST THREE AGMs

No special resolution was passed in any of the last three AGMs held on September 30, 2011, September 29, 2012 and September 28, 2013.

K. POSTAL BALLOT

No resolution was passed through postal ballot during last 3 financial years ended on March 31, 2012, March 31, 2013 and March 31, 2014

L. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management discussion and Analysis Report is a part of the Director Report.

M. DISCLOSURES

- The Company has issued 10,00,000 5% non-cumulative redeemable preference shares during the financial year 2013-14.
- The Company has not entered into any transaction of material nature with promoters, directors or the management or their relatives etc. that may have any potential conflict with the interest of the Company except few transactions mentioned in schedules.
- The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital market during the year. There were no penalties imposed nor any structures passed on the Company by any statutory authority relating to above.

N. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management.

O. MEANS OF COMMUNICATION

The quarterly results are published in the newspapers and are not being sent to each household of shareholders. The results are usually published in Jansatta (in Hindi) and Financial Express (in English).

P. GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of AGM	27th September, 2014, 11.30 AM at 15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002, Delhi, India
Financial Calendar	1st April to 31st March every year
Adoption of quarterly results	4th or 5th week of succeeding month of quarter
For the quarter ended	
30th June 2013	30th July 2013
30th September 2013	30th October 2013
31st December 2013	31st January 2014
31st March 2014	30th April 2014
Date of Book Closure	10th September, 2014 to 12th September, 2014 (both days inclusive)
ISIN number of NSDL/CDSL	INE230R01019
Address for Correspondence	15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002, Delhi, India
Registrar and Share Transfer Agent	Big Share Services Private Limited 4E/8, First Floor, Jhandewalan Extension, New Delhi-110055, Delhi, India Contact Person Mr. Srinivas Dornala Telephone No.: 011-23522373 Email Id: bssdelhi@bigshareonline.com Fax No.: 011-23522373
Registered Office (Company)	15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002, Delhi, India
Stock Code	
Delhi Stock Exchange	18058, RAMASTEEL

A Committee of Directors has been constituted to approve the transfer, transmission, dematerialization & re-materialization of shares, issue of duplicate share certificates and allied matters in the board meeting dated April 2, 2014. The Company's Registrars and Share Transfer Agent M/s Big Share Services Private Limited have adequate infrastructure to process share transfer and dematerialization/rematerialization of shares. Prior to appointment of Registrar and Share Transfer Agent, the Company has also in-house share transfer department to record the transfer, transmission, issue of duplicate share certificates and allied matters

A predetermined process cycle at regular interval ensures transfer of shares expeditiously and thereafter an option letter is issued to the transferee(s) for dematerialization.

The shares of the Company are listed at Delhi Stock Exchange and there is no trading activity in the shares of the Company. The Company has paid the listing fee of the Stock Exchanges.

There are no outstanding ADRs/ GDRs/ Warrants or any convertible Debentures as on 31st March, 2014.

Q. SHAREHOLDING PATTERN AS ON 31st MARCH, 2014

Category	No. of Shares	% of Shareholding
Promoters & Promoter Group	1,84,050	73.95%
Public	64,850	26.05%
Total	2,48,900	100.00

As on March 31, 2014, the shares of the Company were held by the shareholders in physical form and the Company is in the process of admission of securities in electronic form. The Company has also recently appointed M/s Big Share Services Private Limited for acting as Registrar & Share Transfer Agents of the Company.

R. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2014

Shareholding of	No. of value in Rupees.	% to Total Shareholders	No. of Shares Shareholders	% of Total Shares
1-5000	489	91.40%	26075	10.48%
5001-10000	32	5.98%	29450	11.83%
10001-20000	8	1.49%	9925	3.98%
20001-30000	1	0.19%	3000	1.21%
30001-40000	0	0	0	0
40001-50000	1	0.19%	5000	2.01%
50001-100000	1	0.19%	9000	3.62%
100001 and above	3	0.56%	166450	66.87%
G. TOTAL	535	100.00	248900	100.00

Declaration by Mr. Richi Bansal, Director, under clause 49 of the Listing Agreement regarding compliance with code of Conduct

In accordance with Clause 49 ID of the Listing Agreement, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with code of Conduct, as applicable to them, for the financial year ended on March 31, 2014.

**Sd/-
Richi Bansal
Director**

Place: New Delhi
Date: September 1, 2014

Certification by Mr. Richi Bansal, Director, pursuant to Clause 49 of the Listing Agreement regarding financial statements

I, Richi Bansal, certify that:

- a) I have reviewed the financial statements and the cash flow of Rama Steel Tubes Limited ("the Company") for the year ended March 31, 2014 and to the best of my knowledge and belief:
 - i. these statement 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 and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) there are, to the best of my knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. There are no deficiencies in the design or operation of internal control.
- d) I have indicated to the Auditors and the Audit Committee that there are no
 - i. significant changes in the internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year;
 - iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Rama Steel Tubes Limited

**Sd/-
Richi Bansal
Director**

Place: New Delhi

Date: September 1, 2014

Declaration by Mr. Richi Bansal, Director, under clause 49 of the Listing Agreement regarding compliance with code of Conduct

In accordance with Clause 49 ID of the Listing Agreement, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with code of Conduct, as applicable to them, for the financial year ended on March 31, 2014.

For Rama Steel Tubes Limited

**Sd/-
Richi Bansal
Director**

Place: New Delhi

Date: September 1, 2014

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Rama Steel Tubes Limited
15/1, 2nd Floor, Asaf Ali Road,
New Delhi-110002

We have examined the compliance of conditions of corporate governance by M/s Rama Steel Tubes Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with The Delhi Stock Exchange Association Limited.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company ensuring the compliance of the 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 explanation given to us we certify that the Company has complied with the conditions of corporate governance as stipulated in the above listing agreement.

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 M/s VAPS & Co.
Chartered Accountants

Sd/-
(Vipin Aggarwal)
Membership No. – 082498

Place: New Delhi
Date: **September 1, 2014**

VAPS & COMPANY
Chartered Accountants

C-42, South Extension Part-II,
New Delhi-110049
Tel: 011-41645051(4Lines)
Fax: 011-41644896

AUDITORS REPORT

To,

The Members of Rama Steel Tubes Ltd.,

Report on the Financial Statements

We have audited the accompanying financial statements of RAMA STEELS TUBES LTD which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view, subject to note no.10 where we do not express any opinion, in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- (c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. ;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For VAPS & COMPANY.
Chartered Accountants
Firm Regn. No. 003612N

Sd/-
(P.K. Jain)
Partner
Membership No. 82515

Place : New Delhi
Date : September 1, 2014

ANNEXURE TO THE AUDITORS' REPORT

Ref: RAMA STEEL TUBES LTD.

Referred to in paragraph 3 of our report of even date:

- 1)
 - a) The company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
 - b) A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) During the year Fixed assets disposed off of ₹ 8,06,985/- .But according to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the company.
- 2)
 - a) The inventories (excluding stocks with third parties) have been physically verified during the year by the management. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and accordingly to the information and explanations given to us, discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- 3)
 - a) The company has not granted unsecured loan to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The company has taken unsecured loan from fourteen company, firms, & other parties covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was ₹ 399,10,367 and the year end balance of loans taken from such parties was ₹ 335,24,594. In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, if any.
 - d) There is no overdue amount of loans taken from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system of the company in respect of these areas.
- 5)
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register maintained under section 301 have been so entered.

- b) The transactions in pursuance of such contracts have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act 1956, and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted from the public. The Company Law Board / National Company Law Tribunal or Reserve Bank of India or any court or any other any Tribunal has passed no order in respect of the aforesaid deposits.
- 7) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 we are of the opinion that Prima-facie the prescribed accounts and Records have been maintained.
- 9) a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess etc. were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us and records of the company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, and Cess which have not been deposited on account of any dispute are as follows:

Sl No.	Name of the Statute	Nature of Dues	Amount in ₹	Period to which dues Related	Authority where the Dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been Challenged.	101,82,386	November,2008 to March 2011	Before the Supreme Court Judicature

- 10) The company has no accumulated losses as at 31st March, 2014 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) We have been informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(xii) of the order is not applicable.
- 13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (auditors' report) Order, 2004(amended) are not applicable to the company.

- 14) Accordingly to the information & explanations given to us, the company has made investment in shares, securities, debenture, & other investment during the year. All the shares have been held by company in its own name. The Company Complied with the provisions of clause 4 (xiv) of the Companies (auditors report) order, 2004.
- 15) The company has given Corporate Guarantee for ₹ 3000 Lacs for loans taken by the Joint Venture Company in which the Company is one of participant, from bank or financial institutions.
- 16) In our opinion, the term loan has been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- 18) Based on our examination of records and the information provided to us by the management we report that the company has made preferential allotment of shares to its Managing Director Sh. Naresh Kumar Bansal of 10,00,000, 5%Non Cumulative Preference Shares of ₹ 10 each were allotted in Oct 2013.
- 19) During the period covered by our audit report, the company has not issued any debentures.
- 20) The company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.
- 21) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For VAPS & COMPANY.
Chartered Accountants
Firm Regn. No. 003612N**

**Sd/-
(P.K. Jain)
Partner
Membership No. 82515**

Place : New Delhi
Date : **September 1, 2014**

RAMA STEEL TUBES LTD
CIN No L27201DL1974PLC007114
15/1, 2nd FLOOR , ASAF ALI ROAD, NEW DELHI
BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	2014 (Audited) (₹)	2013 (Audited) (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	12,489,000	2,489,000
(b) Reserves and Surplus	2	187,864,685	166,548,414
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	91,401,486	95,837,312
(b) Deferred Tax Liabilities (Net)	4	6,488,427	8,589,945
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	5	297,545,753	302,464,615
(b) Trade Payables	6	74,440,013	54,218,482
(c) Other Current Liabilities	7	69,816,573	64,816,231
(d) Short-Term Provisions	8	6,536,166	6,103,546
Total Equity & Liabilities		<u>746,582,102</u>	<u>701,067,545</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	144,614,709	152,806,195
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		6,081,078	1,903,056
(b) Non-current investments	10	28,633,683	23,763,713
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	96,618,821	79,879,421
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	12	207,181,585	164,715,260
(c) Trade receivables	13	175,786,701	166,046,250
(d) Cash and cash equivalents	14	22,416,377	21,410,003
(e) Short-term loans and advances	15	65,249,149	90,543,646
(f) Other current assets		-	-
Total Assets		<u>746,582,102</u>	<u>701,067,545</u>

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

for VAPS & Co.
Chartered Accountants
Firm Reg. No.: 003612N

for and on behalf of the Board

Sd/-
(P.K.Jain)
Partner
Membership No. : 82515

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

Place : New Delhi
Dated : September 1, 2014

RAMA STEEL TUBES LTD
CIN No L27201DL1974PLC007114
15/1, 2nd FLOOR , ASAF ALI ROAD, NEW DELHI

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON MARCH 31, 2014

Sr. No	Particulars	Note No.	2014 (Audited)	2013 (Audited)
			(₹)	(₹)
I	Revenue from operations (Gross)	16	1,987,420,120	2,023,316,074
	Less: Excise Duty		<u>(173,927,130)</u>	<u>(170,953,946)</u>
	Gross Revenue from operations (Net)		1,813,492,990	1,852,362,127
II	Other Income	17	36,064,429	55,669,176
III	Total Revenue (I+II)		<u>1,849,557,419</u>	<u>1,908,031,303</u>
IV	Expenses:			
	Cost of Materials consumed	18	1,596,263,742	1,692,211,362
	Purchase of Stock-in-Trade		8,859,271	21,078,708
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	3,673,271	(40,313,543)
	Employee Benefit Expense	20	27,121,134	23,971,154
	Financial Costs	21	45,644,755	54,139,923
	Depreciation and Amortization Expense	22	17,743,377	17,865,721
	Other Expenses	23	125,839,160	123,068,482
	Total Expenses (IV)		<u>1,825,144,711</u>	<u>1,892,021,807</u>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	24,412,708	16,009,496
VI	Exceptional Items		-	-
VII	Profit before Taxes (V - VI)		<u>24,412,708</u>	<u>16,009,496</u>
VIII	Tax expense:			
	(1) Current tax		4,981,916	3,223,747
	(2) Deferred tax		(2,101,518)	795,768
	(3) Income Tax for earlier years		53,604	21,280
	(4) Mat credit Entitlement		162,435	893,396
IX	Profit/(Loss) from the period from continuing operations	(VII-VIII)	<u>21,316,271</u>	<u>11,075,305</u>
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X - XI)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		<u>21,316,271</u>	<u>11,075,305</u>
XIV	Earning per equity share:			
	(1) Basic		85.64	44.50
	(2) Diluted		85.64	44.50

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

for VAPS & Co.
Chartered Accountants
Firm Reg. No.: 003612N

for and on behalf of the Board

Sd/-
(P.K.Jain)
Partner
Membership No. : 82515

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

Place : New Delhi
Dated : September 1, 2014

RAMA STEEL TUBES LTD
CIN No L27201DL1974PLC007114
15/1, 2nd FLOOR , ASAF ALI ROAD, NEW DELHI

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2014

PARTICULARS	(Figures in ₹)			
	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	AMOUNT	TOTAL	AMOUNT	TOTAL
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra ordinary items		24,412,708		16,009,496
Add : Adjustment for Depreciation	17,743,377		17,865,721	
Interest & Finance Charges	45,644,755		54,139,923	
Profit On Sale of Fixed assets	(793,316)		(484,606)	
		62,594,816		71,521,038
Operating profit before working capital changes		87,007,524		87,530,534
Adjustment for:				
Increase/Decrease in Trade Receivables	(9,740,451)		(25,629,092)	
Increase/Decrease in Other receivables	22,980,143		(21,252,413)	
Increase/Decrease in Inventories	(42,466,325)		52,223,891	
Increase/Decrease in Trade & Other payable	25,606,512	(3,620,122)	43,763,869	49,106,255
Cash generated from operations		83,387,403		136,636,789
Cash flow before extra ordinary items		83,387,403		136,636,789
Income Tax Paid		(4,450,759)		(3,558,438)
Extra ordinary items		-		-
Net cash from operating activities		78,936,643		133,078,350
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(14,536,596)		(25,605,630)	
Sale of Fixed Assets	1,600,000		1,020,000	
Additions to Investments	(4,869,970)		(8,068,416)	
Advance for Fixed Assets	(15,124,259)		7,723,038	
Net Cash used in investing activities		(32,930,826)		(24,931,008)
C. CASH FLOW FROM FINANCE ACTIVITIES				
Issue of Preferential Shares	10,000,000			
Receipt/Repayment of secured loans	(10,408,386)		(20,420,124)	
Receipt/Repayment of unsecured loans	1,053,698		(32,465,782)	
Interest & Finance Charges	(45,644,755)		(54,139,923)	
Net cash generated from Financing activities		(44,999,443)		(107,025,829)
NET CHANGE IN CASH EQUIVALENT (A+B+C)		1,006,374		1,121,514
CASH & CASH EQUIVALENT				
Opening Balance		21,410,003		20,288,490
Net Change in Cash & Cash Equivalent		1,006,374		1,121,514
Closing Balance		22,416,377		21,410,003

Notes :

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposit with Banks as per Note No 14
2. The Cash Flow Statement has been prepared under the "Indirect method " as set out in the Accounting Standard (AS -3), "Cash Flow Statement".
3. Figures in Brackets indicate cash outflow.

for VAPS & Co.

Chartered Accountants
Firm Reg. No.: 003612N

Sd/-
(P.K.Jain)
Partner
Membership No. : 82515

for and on behalf of the Board

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

Place : New Delhi
Dated : September 1, 2014

RAMA STEEL TUBES LTD.

Annexure 1

Significant Accounting Policies

1) Basis of Preparation of Financial Statement

- a) The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with the Accounting Standard 1 Referred to in section 211(3c) of the companies Act 1956.
- b) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

2) Fixed Assets

- a) Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.
- b) Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalized.
- c) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalized as part of the cost of machinery

3) Impairment of Assets

The Company recognizes all the losses as per Accounting Standard -28 due to the impairment of assets in the year of review of the physical conditions of the Assets and is measured by the amount by which, the carrying amount of the Assets exceeds the Fair Value of the Asset.

4) Depreciation

Depreciation on fixed assets is provided on written down value basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during the period is proportionately charged.

5) Inventories Valuation

Raw material is valued at cost (First in First Out basis) or nets realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/ First in First Out basis).

6) Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within profit and loss account. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in profit and loss account over the life of the contract.

7) **Duties & Credits**

- a) Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.
- b) Cenvat Credit, to the extent available during the year, is adjusted towards cost of materials.
- c) Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

8) Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable.

9) **Retirement Benefits**

- a) The total accrued liability in respect of employees covered by the Payment of Gratuity Act, 1972, as actuarially determined in accordance with the relevant provisions of AS-15 issued by ICAI, and not provided for amounts to ₹ 39,14,281/- (Previous Year Rs.33,36,417/-).
- b) Leave Encashment to ₹ 3,39,711/- (Previous Year ₹ 4,37,512/-) has been not provided for.

10) **Borrowing Cost**

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets. In compliance of AS-16, the Borrowing Cost amounting to ₹ 37,02,691/- (Previous Year ₹ 37,75,800/-) has been capitalized during the year to the corresponding Capital Assets.

11) **Taxes on Income**

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

12) **Revenue Recognition**

Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.

13) **Investments**

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Diminution, if any, in the value of Long Term Investment in respect of equity shares in Partap Industries Limited has not been provided for since the Management is of the opinion that reduction in the value of investment is of the temporary nature considering to inherent value and nature of investee's business and hence no provision is required. Current investments are carried at lower of cost and fair value. Income/ Loss from investments are recognized in the year in which it is generated.

14) **Provision and Contingencies**

The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

15) **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of

transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated

16) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**As per our separate audit Report of
even date attached**

For VAPS & Company
Chartered Accountants
Firm Regn. No. 003612N

For and on behalf of the Board

Sd/-
P.K.Jain
Partner
M No. 82515

Sd/-
Naresh Kumar Bansal
Managing Director

Sd/-
Richi Bansal
Director

Place : New Delhi
Date : **September 1, 2014**

RAMA STEEL TUBES LTD
CIN No L27201DL1974PLC007114
15/1, 2nd FLOOR , ASAF ALI ROAD, NEW DELHI

Notes Forming Integral Part of the Balance Sheet as at March 31, 2014

Note : 1 Share Capital		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	AUTHORIZED CAPITAL		
	5,00,000 Equity Shares of Rs. 10/- each (As at Previous Year 30,00,000)	5,000,000	30,000,000
	25,00,000, 5% Non Cumulative Redeemable Preference Shares of Rs. 10/- each (As at Previous Year Nil)	25,000,000	-
		30,000,000	30,000,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	2,48,900 Equity Shares of Rs. 10/- each fully paid up in cash (Previous Year 2,48,900 Shares)	2,489,000	2,489,000
	10,00,000, 5% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up in cash (Previous Year Nil Shares)	10,000,000	-
	Total	12,489,000	2,489,000

Reconciliation of the number of issued, subscribed and paid-up shares :

Particulars	Current Year	Previous Year
Shares outstanding as at the beginning of the year 01.04.2013:		
Equity Face Value of Rs. 10 Fully paid	248,900	248,900
5% Non-Cumulative Redeemable Preference Shares of Rs. 10 Fully paid	-	-
Additions during the year:		
5% Non-Cumulative Redeemable Preference	1,000,000	-
Deletion during the year	-	-
Shares outstanding as at the end of the year 31.03.2014:		
Equity Face Value of Rs. 10 Fully paid	248,900	248,900
5% Non-Cumulative Redeemable Preference Shares of Rs. 10 Fully paid	1,000,000	-
Total	1,248,900	248,900

Details of allotment of securities in the preceding 5 financial years :

- (i) 10,00,000, 5% Non Cumulative Preference Shares of Rs. 10 each were allotted on October 11, 2013 to its Managing Director Naresh Kumar Bansal.

Details of Shares held by shareholders holding more than 5% of the aggregate shares of the company :

Name of the Shareholder`	Current Year		Previous Year	
	No. of shares Held	% of Holding	No of shares Held	% of Holding
Naresh Kumar Bansal	108,100	43%	108,100	43%
Ajay Kumar Bansal	12,450	5%	12,450	5%
Harbans Lal (HUF)	15,700	6%	15,700	6%

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share. The company has not declared any dividend during the year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note : 2 Reserve & Surplus

Sr.No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	General Reserve Balance brought forward from previous year Add: Additions	164,909,310 2,500,000	139,909,310 25,000,000
		167,409,310	164,909,310
2	Surplus (Statement of Profit & Loss) Balance brought forward from previous year Add: Net Profit/ (Loss) for the period Less: Transfer to Reserves Closing Balance	1,639,104 21,316,271 2,500,000 20,455,375	15,563,799 11,075,305 25,000,000 1,639,104
	Total	187,864,685	166,548,414

Note : 3 Long Term Borrowings

Sr.No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Secured Term Loan - From Bank	33,828,277	39,317,801
2	Unsecured - Fixed Deposit	18,459,159	28,833,559
3	- From related parties	33,524,594	22,127,147
4	- Security Deposits from Dealer	5,589,456	5,558,805
	Total	91,401,486	95,837,312

Nature of Security and terms of repayment for Long Term Secured Borrowings :-

Sr.No.	Loan Amount	
1	Term Loan amounting ₹3,34,34,121 (P.Y. ₹3,49,84,938)	Repayable in 157 monthly installments commencing from Dec, 2011. Last installment due in Dec., 2024. Rate of interest 11.15% p.a as at year end (P.Y. 10.35% p.a)
2	Term Loan amounting ₹ 25,24,084 (P.Y. ₹1,10,80,321)	Repayable in 48 monthly installments commencing from July, 2009. Last installment due in August, 2014. Rate of interest 13.70% p.a as at year end (P.Y.13.50% p.a.)
3	Term Loan amounting ₹ 2,05,602 (P.Y. ₹ 7,71,000).	Repayable in 60 monthly installments commencing from Oct,2008. Last installment due in June, 2014. Rate of interest 13.20% p.a as at year end. (P.Y. 13.25% p.a.)
4	Term Loan amounting ₹ 4,81,300 (P.Y. ₹ 8,02,234)	Repayable in 36 monthly installments commencing from Aug,2012. Last installment due in July 2015. Rate of interest 10.52% p.a as at year end. (P.Y. 10.75%)
5	Term Loan amounting ₹ 2,13,598 (P.Y. ₹ 3,73,149)	Repayable in 35 monthly installments commencing from June 2012. Last installment due in May 2015. Rate of interest 12.75% p.a as at year end. (P.Y. 12.75%)
6	Term Loan amounting ₹ 3,80,032 (P.Y. ₹ 5,99,523)	Repayable in 36 monthly installments commencing from Oct 2012. Last installment due in Sept 2015. Rate of interest 11.50% p.a as at year end. (P.Y. 11.50%)
7	Term Loan amounting ₹ 22,53,957 (P.Y. ₹ 27,71,127)	Repayable in 60 monthly installments commencing from Nov 2012. Last installment due in Oct 2017. Rate of interest 8.56% p.a as at year end. (P.Y. 8.56%)
Nature of Security of sub Note 1.1 of Note no. 3:- Secured against mortgage of Jaypee Greens, Greater Noida, UP.		
Nature of Security of sub Note 1.2 to 1.7 of Note no. 3:- Secured by hypothecation of Machinery and vehicles.		

Installments falling due in respect of all the above Loans upto 31.03.2015 have been grouped under "Current maturities of long-term debt" (Refer Note 7)

Note : 4 Deferred Tax Liabilities		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Deferred Tax Liabilities		
	-Opening Balance	8,589,945	7,794,177
	-Additions during the Year	(2,101,518)	795,768
	Total	6,488,427	8,589,945

Note : 5 Short Term Borrowings		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
	Secured		
1	Working Capital Loans Repayable on Demand		
	- From Bank (including Packing Credit Limit)	297,545,753	302,464,615
	Total	297,545,753	302,464,615

Working Capital facilities from Bank are secured by first charge on inventories and book debts and first charge on all movable and immovable assets of the company and further guaranteed by the directors of the company.

Note : 6 Trade Payable

		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Sundry Creditors for Raw Material	54,386,275	36,534,536
2	Sundry Creditors for Expenses	16,671,882	14,126,435
3	Expenses Payable	3,381,856	3,557,511
Total		74,440,013	54,218,482

Note : 7 Other Current Liabilities

		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Current Maturities of Long Term Debt	5,664,418	12,588,067
2	Interest accrued and due on borrowings	38,880	38,880
3	Interest accrued but not due on borrowings	1,508,932	452,747
4	Advance From Customers	54,675,726	45,776,851
5	Statutory Liabilities	7,928,617	5,959,686
Total		69,816,573	64,816,231

Note : 8 Short Term Provisions

		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Provision for Excise Duty on Finished Goods	6,488,184	6,103,546
2	Provision for Taxation(Net)	47,982	-
Total		6,536,166	6,103,546

NOTE NO. 9 ON TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01-04-2013	ADDITIONS DURING THE YEAR	SALES/ ADJ. DURING THE YEAR	TOTAL AS ON 31-03-2014	UPTO 31-03-2013	DURING THE YEAR	ADJUSTMENT DURING THE YEAR	UPTO 31-03-2014	W.D.V. AS ON 31-03-2014	W.D.V. AS ON 31-03-2013
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
I) LAND (SAHIBABAD)	490,946	-	-	490,946	-	-	-	-	490,946	490,946
LAND (B-5)	4,954,518	-	-	4,954,518	-	-	-	-	4,954,518	4,954,518
LAND (B-25/1)	3,902,462	-	-	3,902,462	-	-	-	-	3,902,462	3,902,462
LAND (48/1/2C)	10,307,645	1,126,865	-	11,434,510	-	-	-	-	11,434,510	10,307,645
MUMBAI LAND	4,574,955	1,138,628	-	5,713,583	-	-	-	-	5,713,583	4,574,955
LAND (SEC 4-131) GURGAON	9,506,075	-	-	9,506,075	-	-	-	-	9,506,075	9,506,075
II) OFFICE -I AT MUMBAI	196,500	-	-	196,500	149,447	2,353	-	151,800	44,700	47,053
OFFICE -II AT MUMBAI	1,009,950	-	-	1,009,950	228,470	39,074	-	267,544	742,406	781,480
FACTORY SHED & BUILDING	12,064,901	-	-	12,064,901	6,137,267	592,763	-	6,730,030	5,334,871	5,927,634
BUILDING (PLOT NO.131)	28,148,133	-	-	28,148,133	1,328,788	1,340,967	-	2,669,755	25,478,378	26,819,345
III PLANT & MACHINERY	168,672,609	7,114,610	8,000,000	167,787,219	103,444,841	11,531,104	7,193,315	107,782,629	60,004,589	65,227,768
IV FURNITURE & FIXTURES	1,596,738	144,321	-	1,741,059	489,050	206,217	-	695,267	1,045,792	1,107,688
V OFFICE EQUIPMENT	1,655,717	94,150	-	1,749,867	973,232	101,956	-	1,075,188	674,679	682,485
VI VEHICLES	18,426,496	-	-	18,426,496	7,881,586	2,730,077	-	10,611,663	7,814,833	10,544,910
VII GENERATOR SET	5,919,143	390,000	-	6,309,143	3,896,619	317,908	-	4,214,527	2,094,616	2,022,524
VIII AIR CONDITIONER	4,537,822	350,000	-	4,887,822	831,030	534,937	-	1,365,967	3,521,855	3,706,792
IX ELECTRIC FITTINGS & INSTALLATION	2,353,376	-	-	2,353,376	303,754	285,102	-	588,856	1,764,520	2,049,622
X COMPUTERS	1,254,556	-	-	1,254,556	1,102,262	60,918	-	1,163,180	91,376	152,294
TOTAL FOR THIS YEAR	279,572,541	10,358,574	8,000,000	281,931,115	126,766,346	17,743,377	7,193,315	137,316,408	144,614,708	152,806,195
TOTAL PREVIOUS YEAR	256,701,081	25,605,630	2,734,170	279,572,541	111,099,401	17,865,721	2,198,776	126,766,346	152,806,195	145,601,680

CAPITAL WORK IN PROGRESS

PARTICULARS	AS AT 01-04-2013	ADDITIONS	TOTAL	CAPITAIZED	AS AT 31-03-2014
PROPERTY AT MUMBAI	1,903,056	-	1,903,056	-	1,903,056
PLANT & MACHINERY	-	4,132,302	4,132,302	-	4,132,302
PRE OPERATIVE EXPENDITURE	-	45,720	45,720	-	45,720
TOTAL FOR THIS YEAR	1,903,056	4,178,022	6,081,078	-	6,081,078

Note : 10 Non-Current Investment

Sr.No.	Particulars	(₹) 2014 (Audited)	(₹) 2013 (Audited)
I	Investment in Joint Venture (Unquoted, Trade) M/s Pir Panchal Construction Pvt. Ltd. Joint Venture, Jammu *	27,205,302	22,335,332
II	Quoted Other than Trade at cost less provision (Quoted) Investment in Equity Shares 25000 Equity Share of Rs. 10/- each in Partap Industries Ltd. issued at Premium of Rs. 10/- each (Previous Year 25000 Equity Shares) 60500 Equity Shares of Rs. 10/- each in Uttam Value Steels Ltd. (Formerly Lloyd Steel Industries Ltd.) (Previous Year 60500 Equity Shares)	500,000 928,181	500,000 928,181
III	Unquoted Other than Trade at cost less provision (Unquoted) Investment in Equity Shares : Two Equity Shares of Rs. 100/- each in CIDCO, Mumbai	200	200
	Total	<u>28,633,683</u>	<u>23,763,713</u>
	Aggregate book value of unquoted Investments	27,205,502	22,335,532
	Aggregate book value of quoted Investments	1,428,181	1,428,181
	Market Value of quoted Investments	605,000	605,000
	Aggregate provision for diminution in value of Investments	-	-

* The Audited Financial Statements of M/s Pirpanchal Construction Pvt. Ltd. Joint Venture could not be obtained and provisional Accounts were provided to Auditors for verification. The share of Profit of the Company in the above Joint Venture is 25%

Note : 11 Long Term Loans and Advances

Sr.No.	Particulars	(₹) 2014 (Audited)	(₹) 2013 (Audited)
I)	Capital Advances Unsecured, Considered Good	89,805,394	74,681,134
II)	Security Deposit Unsecured, Considered Good	6,732,427	5,119,787
III)	Other Loans & Advances	81,000	78,500
	Total	<u>96,618,821</u>	<u>79,879,421</u>

Note : 12 Inventories		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Raw Material	103,555,350	57,335,353
2	Finished Goods	101,196,907	105,684,238
3	Rejection & Scrap	1,882,929	1,068,869
4	Consumables	546,400	626,800
Total		207,181,585	164,715,260

The closing stock of finished goods has been valued inclusive of Excise Duty as per IAS-14 of ICAI

Note : 13 Trade Receivables		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good :	10,208,588	18,066,077
2	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, Considered Good :	165,578,113	147,980,174
Total		175,786,701	166,046,250

Note : 14 Cash & Cash Equivalent		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Cash & Cash Equivalent Cash Balance Bank Balance Sub Total (1)	1,478,794 418,285 1,897,078	1,959,938 484,475 2,444,412
2	Other Bank Balances Fixed Deposits with Banks Accrued Interest on FDR's & Securities (In margin money with maturities more than three months and less than twelve months at inception) Sub Total (2)	19,806,794 712,505 20,519,299	17,324,627 1,640,964 18,965,591
Total [1+2]		22,416,377	21,410,003

Note : 15 Short Terms Loans and Advances		(₹)	(₹)
Sr.No.	Particulars	2014 (Audited)	2013 (Audited)
1	Advance to Suppliers and Others	14,107,208	24,368,828
2	Advance Income Tax/Refund Due	-	486,217
3	Prepaid Expenses	1,482,928	487,849
4	Advance Payment with Revenue Authorities (Indirect Taxes)	49,614,934	64,943,676
5	MAT Credit Entitlement	44,079	257,076
Total		65,249,149	90,543,646

Note : 16 Revenue from Operations

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Sales (Finished Goods) - Domestic	1,610,188,036	1,511,787,638
2	Sales (Finished Goods) - Export	347,238,696	457,562,886
		1,957,426,732	1,969,350,524
3	Sales Traded Goods (Raw Material Cleared as such)	9,018,906	21,400,024
4	Job Work	2,876,299	6,572,095
5	Export Incentive	18,098,183	25,993,431
	Gross Revenue	1,987,420,120	2,023,316,074
6	Less: Excise Duty	(173,927,130)	(170,953,946)
	Total	1,813,492,990	1,852,362,127

Sr. No.	Detail of Sale of Products	Current Year	Previous Year
	Manufactured Goods :		
1	Black Pipe/Tubes	1,371,298,629	1,351,585,372
2	Rejected Pipes /Scrap	64,454,558	80,126,226
3	GP Pipe/Tubes	513,824,657	508,910,331
4	Others	7,848,889	28,728,595
		1,957,426,733	1,969,350,524
	Trading Goods :		
1	Zinc	23,820	183,700
2	HR Strip/Coil	8,995,085	21,185,833
3	Steel Sockets	-	30,491
		9,018,906	21,400,024
	Total	1,966,445,639	1,990,750,548

Note : 17 Other Income

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Interest Earned on FDRs	1,724,526	1,667,423
2	Share Of Profit in joint Venture	4,869,970	8,068,416
3	Profit On Sale of Fixed Assets	793,316	484,606
4	Profit On Sale of Property	-	10,266,240
5	Misc. Income	19,592,859	13,520,486
6	Foreign Exchange Fluctuation	9,083,758	21,662,005
	Total	36,064,429	55,669,176

Note : 18 Cost of Material Consumed

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Raw Materials	1,581,289,883	1,673,562,556
	Opening Stock	57,335,353	149,283,187
	Add: Purchase	1,627,509,880	1,581,614,722
	Less: Closing Stock	(103,555,350)	(57,335,353)
2	Stores and Spares		
	Stores & Consumables	14,973,859	18,648,806
	Total	1,596,263,742	1,692,211,362

Sr. No.	Detail of Raw Material Consumed:	Current Year	Previous Year
1	HR Coil	1,505,508,441	1,563,995,998
2	Black pipe	13,884,532	25,758,409
3	Zinc & Others	61,896,910	83,808,149
	Total	1,581,289,883	1,673,562,556

All the above Raw material consumed includes indigenous materials consumed. There is no imported material consumed during the year.

Note : 19 Change in Inventories

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Opening Stock		
	Finished Goods	106,753,107	66,439,564
	Total-1	106,753,107	66,439,564
2	Closing Stock		
	Finished Goods	103,079,836	106,753,107
	Total-2	103,079,836	106,753,107
	Total (2-1)	3,673,271	(40,313,543)

Note : 20 Employee Benefit Expenses

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Salaries, Wages, Bonus etc.	24,162,243	21,627,564
2	Contribution to Provident and other Funds	1,905,416	1,877,363
3	Staff Welfare Expenses	1,053,475	466,227
	Total	27,121,134	23,971,154

Note : 21 Financial Cost

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Interest Expense	37,680,568	42,189,459
2	Other Borrowing Cost	7,964,187	11,950,464
	Total	45,644,755	54,139,923

Note : 22 Depreciation & Amortised Cost

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
1	Depreciation	17,743,377	17,865,721
Total		17,743,377	17,865,721

Note : 23 Other Expenses

Sr. No.	Particulars	(₹)	(₹)
		2014 (Audited)	2013 (Audited)
<u>Manufacturing Expenses</u>			
1	Job Work Charges	13,120,083	10,800,237
2	Power & Fuel Expenses	38,295,770	36,093,781
3	Repair & Maintenance :-		
	Building	3,265,454	2,351,417
	Plant & Machinery	5,998,927	2,529,580
<u>Administrative Expenses</u>			
4	Rent	1,480,956	1,158,888
5	Printing & Stationery	213,328	232,483
6	Postage & Telephone	1,159,258	866,807
7	Vehicle Running Expenses	1,148,375	1,307,398
8	Fees & Taxes	795,152	729,851
9	Travelling Expenses:		
	Directors	2,874,483	1,345,248
	Others	1,245,238	926,970
10	Legal & Professional Charges	1,315,944	1,086,144
11	Miscellaneous Expenses	396,210	274,229
12	Auditor's Remuneration	100,000	102,500
13	Insurance	384,756	322,353
14	Key-man Insurance	756,361	1,252,719
15	Office Expenses	715,436	562,224
<u>Selling & Distrubution Expenses</u>			
16	Advertisement Expenses	621,814	140,365
17	Commission	9,306,811	8,808,721
18	Rebate & Discount	3,281,410	476,076
19	Freight Outward	37,110,209	47,527,770
20	Sales Promotion	1,458,053	1,629,131
21	Additional Entry Tax	313,335	2,320,779
22	Other Selling Expenes	481,799	222,811
Total		125,839,160	123,068,482

Note No. 24 Contingent Liabilities

Contingent liability not provided for in respect of :

- a) Bank Guarantees of Rs.1812.01 Lacs (Previous year ₹1272.45 Lacs).
- b) Bills Discounted of Rs.Nil (Previous Year ₹ 62.09 Lacs)
- c) Accrued Liability for Leave Encashment of ₹ 3.39 Lacs (Previous Year ₹ 4.38 Lacs)
- d) Accrued Liability for Gratuity Outstanding of ₹ 39.14 Lacs (Previous Year ₹ 33.36 Lacs)
- e) Outstanding letters of credit amounting to ₹ 125.00 Lacs. (Previous year ₹ 125.00 Lacs)
- f) Entry Tax Payable ₹111.42 Lacs (Previous Year ₹111.42 Lacs)
- g) Corporate Guarantees of ₹ 3000.00 Lacs (previous Year ₹ 3000) given to Union Bank of India on account of Bank Guarantees furnished by Union Bank of India to the Jammu & Kashmir Govt towards contracts awarded to M/s Pir Panchal Construction Pvt.Ltd., Joint Venture, an association of person, in which our company is one of the participant.

Note No. 25

- a) During the Year 2011-12, the Petition filed by the company, challenging the Entry Tax (on Purchases) imposed by U.P VAT Authorities, was rejected by the Hon'ble High Court of Allahabad, holding the imposition of Entry Tax as lawful. The verdict of the hon'ble Court accrued Entry Tax Liability amounting to ₹ 2,21,36,566/- upon the Company towards the UP Commercial Taxes Department. But the Company filed a petition in the hon'ble Supreme Court challenging the verdict of Allahabad High Court. Further in accordance with the directions of the hon'ble Supreme Court, the Company has paid a sum of ₹ 1,11,41,669/- to the Department and gave the Bank Guarantee for the balance amount of ₹ 1,09,94,897/-. The Case is still pending in the Court of Law. As the Company was of the opinion that eventually no liability shall accrue to the company on this issue, it did not provide for this Entry Tax Liability on Purchases in the Year 2011-12..
- b) The Company has filed civil suit for ₹ 45,35,667/- , against one of its debtor for recovery of dues in respect of goods supplied to them against LCs. The matter is pending in Delhi High Court

Note No. 26

None of the employees was in receipt of remuneration in excess of ₹ 60,00,000 p.a. or ₹ 5,00,000 p.m. if employed for part of the year as prescribed under section 217 (2) (A) of the Companies Act, 1956.

Note No. 27 Disclosure regarding computation of EPS in accordance with AS-20

(Figures in ₹)

Particulars	2014	2013
A. Basic EPS		
Profit After Tax As per P&L A/c (₹)	2.13.16.271	1.10.75.305
Weighted Avg. Number of Equity Share	2,48,900	2,48,900
Basic EPS (₹)	85.64	44.50
B. Diluted EPS		
Profit After Tax As per P&L A/c (₹)	2.13.16.271	1.10.75.305
Diluted Number of Equity Shares O/s	2,48,900	2,48,900
Diluted EPS (₹)	85.64	44.50
C. Computation of Diluted Number of Equity Shares		
1. Basic Shares	2,48,900	2,48,900
2. Share Application Money of which share are allotted during the year	--	--
3. Issue Price Per Share in ₹	--	--
4. Number of Shares at above issue Price	--	--
5. Total Diluted Equity Shares (1+4)	2,48,900	2,48,900

Note No. 28 Segment Reporting (AS-17)

The Company is primarily engaged in the business of manufacture and sale of steel Tube/Pipes and its revenue from trading segment is not significant. As such the accounting standard on segment reporting is not applicable.

Note No.29 Related Party Disclosures (AS 18)

Related Parties with whom transaction have taken place during the year and balances outstanding as on the last day of the year;

A. List of Related Parties

Enterprises over which Key Management Personnel (KMP) and Relatives of such personnel exercise significant control

1. M/s Advance Hightech Agro Proucts Pvt. Ltd
2. M/s Ravi Developers Pvt. Ltd.
3. M/s Gujarat Hi-Tech Steel Pvt. Ltd.
4. M/s Harbans Lal (HUF)
5. M/s Naresh Kumar & Sons (HUF)
6. M/s Richi Bansal
7. M/s Swastika Industries

Key Management Personnel

1. Mr. Naresh Bansal
2. Mr. Richi Bansal
3. Mr.Surender Kumar Sharma

Relatives of Key Manangement Personnel

1. Ms. Kumud Bansal
2. Ms. Krati Bansal
3. Mr. Nikhil Bansal
4. Master Ishaan Bansal
5. Ms. Reeta Rani
6. Ms.ParveenBansal
7. Ms.Kanika Bansal

B. Detail of Related Party Transactions

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Manage-ment Personnel
Remuneration Paid	--	32,40,000	3,60,000
Interest Paid	10,60,948	5,84,835	14,25,072
Rent Paid	--	7,41,396	6,00,000

C. Amount due to / from Related Parties as on 31st March 2014

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Manage-ment Personnel
Amount due to Related Parties	89,75,822	122,87,664	79,13,108
Amount due from Related Parties	--	--	--

Note No.30 Value of Exports

Particulars	2014	2013
Value of Exports (FOB) (₹)	34,72,38,696	45,75,62,886

Note No.31 Expenditure in Foreign Currency

Particulars	2014	2013
Expenditure in Foreign Currency	32,20,801	6,78,931

Note No. 32

The outstanding balances of Sundry Debtors/Creditors in the books of the company are subject to confirmation.

Note No. 33

Long Term Loans & Advances vide Note No.11 include Advances against Capital Account of ₹12,92,025/- given as Advance against Mumbai Land Development. The aforesaid Land is in the name of the company.

Note No.34 Auditors Remuneration (excluding Service Tax)

Particulars	2014	2013
Statutory Audit Fees	80,000	80,000
Tax Audit Fees	20,000	20,000
Other	Nil	2,500
Total	1,00,000	1,02,500

Note No. 35 Break-up of Managerial Remuneration

Particulars	2014	2013
Salary	34,33,200	34,33,200
Contribution to Provident Fund	23,616	23,616
Other Perquisites	79,200	79,200
Total	35,36,016	35,36,016

Note No.36 Breakup of Directors Travelling Expenses

Particulars	2014	2013
i). Foreign Travelling	25,43,929	10,32,221
ii). Inland Travelling	3,30,554	3,13,027
Total	28,74,483	13,45,248

Note No. 37

On the basis of information available with the company, it does not owe any outstanding dues towards Small Scale Industrial Undertaking amended Schedule VI of the companies Act, 1956 vide Notification NO. GSR 129 (E) dated 22.02.99, in case the sum owned is Rs. 1.00 Lac or more which is outstanding for more than 30 days as at 31st March, 2014.

Note No. 38

On the basis of information available with the company, the Company does not have any amounts due to suppliers under the Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March 2014.

Note No. 39

Amounts except number of shares and earnings per share are rounded off to the nearest rupees.

Note No. 40

The figures of previous year have been regrouped / rearranged wherever considered necessary.

Note No. 41

Significant accounting policies and practices adopted by the company are disclosed in the statement annexed to these financial statements as Annexure 1.

As per our separate audit Report of even date attached

For VAPS & Company
Chartered Accountants
Firm Regn. No. 003612N

Sd/-
(P.K.Jain)
Partner
Membership No. : 82515

For and on behalf of the Board

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

Place : New Delhi
Dated : September 1, 2014

Notice

NOTICE is hereby given that the 40th Annual General Meeting of RAMA STEEL TUBES LIMITED will be held at the Registered Office of the Company at 15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002 on Saturday, the 27th day of September, 2014 at 11.30 a.m. to transact the following business:-

Ordinary Business

1. To consider and adopt the accounts of the Company for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Richi Bansal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:-

“RESOLVED that Messrs. VAPS & COMPANY, Chartered Accountants (Registration No. 03612N), be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting to conduct the audit at a remuneration that may be fixed by the Board of Directors who are duly authorized to finalize the same plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

By order of the Board of Directors

RAMA STEEL TUBES LIMITED

Sd/-

(NARESH KUMAR BANSAL)
Managing Director

Date: 1st September, 2014
Place : New Delhi

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument(s) appointing the proxy, if any, shall be deposited at the registered office of the Company, at 15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002 not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. The register of Members and Share Transfer Books of the Company will remain closed on Saturday, 27th September, 2014.
4. Members are requested to intimate the company immediately of any change in their addresses, at the registered office of the company.
5. The shareholders desiring any information as regards accounts are requested to write to the company at least one week prior to the date of the meeting so as to enable the management to keep the information ready.
6. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
7. Members are requested to bring their own copies of annual report and accounts with them for the meeting as no spare copies would be available in the meeting.

E- VOTING INSTRUCTION

Pursuant to the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, Members are provided with the facility to cast their vote at the AGM electronically through the e-voting services provided by NSDL on all resolutions set forth in the Notice.

In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in the e-voting process on all resolutions placed by the Company on the e-voting system.

The e-voting period commences on Tuesday, 23rd September, 2014 (9.00 a.m. IST) and ends on Wednesday, 24th September, 2014 (6.00 p.m. IST). During this period, Members may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 19th September, 2014 i.e. the cut-off date.

The instructions and other information for e-voting are as under:

(i)	Open email and open PDF file with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
(ii)	Launch internet browser by typing the following URL: https://www.evoting.nsd.com/
(iii)	Click on "Shareholder – Login".
(iv)	Put user ID and password as initial password/PIN noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
(v)	Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
(vi)	Home page of "e-voting" opens. Click on e-Voting: Active Voting Cycles.
(vii)	Select "EVEN" of Rama Steel Tubes Limited which is 101301.
viii)	Now you are ready for e-voting as "Cast Vote" page opens.
(ix)	Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
(x)	Upon confirmation, the message "Vote cast successfully" will be displayed.
(xi)	Once you have voted on the resolution, you will not be allowed to change /modify your vote.
(xii)	Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vipin_1960@hotmail.com with a copy marked to evoting@nsdl.co.in

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com

If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

Please note that:

- Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended that you do not share your password with any other person and take utmost care to keep it confidential.

RAMA STEEL TUBES LIMITED

Regd. Office:15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002.
CIN: L27201DL1974PLC007114

ATTENDANCE SLIP

40th Annual General Meeting on Saturday, September 27, 2014 at 11:30 a.m.

Regd. Folio No.:		*DP.ID No.		E-mail address
No. of Shares held:		*Client ID		

I hereby record my presence at the 40th Annual General Meeting of the Company at its Registered Office on Saturday, September 27, 2014 at 11:30 a.m.

.....
Member's/Proxy's name in Block Letters

.....
Signature of Member/Proxy

Note: Kindly fill up this attendance slip and HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

RAMA STEEL TUBES LIMITED

Regd. Office:15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002.
CIN: L27201DL1974PLC007114

PROXY FORM

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

40th Annual General Meeting on Saturday, September 27, 2014 at 11:30 a.m.

Name of the member(s): Registered address:		E-Mail Id: Folio No/Client Id : DP ID :	
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1. Name:
Address:
E-Mail Id :
Signature :or failing him

2. Name:
Address:
E-Mail Id :
Signature:or failing him

3. Name:
Address:
E-Mail Id :
Signature:or failing him

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Second Annual General Meeting of the Company to be held on Saturday, September 27, 2014 at 11:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions for Ordinary Business		For	Against	Abstain
1.	To consider, approve and adopt Directors' Report, Auditors' Report, Audited Profit and Loss Account for the period ended March 31, 2014 and Balance Sheet as at that date.			
2.	To appoint a Director in place of Mr. Richi Bansal, who retires by rotation and being eligible, offers himself for re-appointment			
3.	To appoint VAPS & Co., Chartered Accountants, as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting to be held in 2015 and to fix their remuneration.			

Signed thisday of2014

Affix
revenue
stamp of
Re. 1/-

Signature of the shareholder

Signature of the Proxy holder(s)

Notes:

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.



RAMA STEEL TUBES LIMITED

Regd. Office:15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002.