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# Rama Steel Tubes Ltd.

**Manufacturers & Exporters : ERW Steel Tubes (Black & Galvanised)**

**CIN : L27201DL1974PLC007114**

**Regd. Office**

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Date: September 5, 2019

The Manager - Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 <b>Symbol: RAMASTEEL</b>	The Secretary BSE Limited, Corporate Relationship Dept., P. J. Towers, Dalal Street, Mumbai - 400 001. <b>Scrip Code: 539309</b>
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Dear Sir,

**Sub: Submission of Annual Report for the financial year 2018-19**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2018-19 along with Notice of the 45<sup>th</sup> Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 11:30 a.m. at JP Hotel & Resorts, 6B, Patparganj, I.P. Extension, NH-24, Behind CNG Petrol Pump, Delhi- 110 092.

You are requested to take the same on your records.

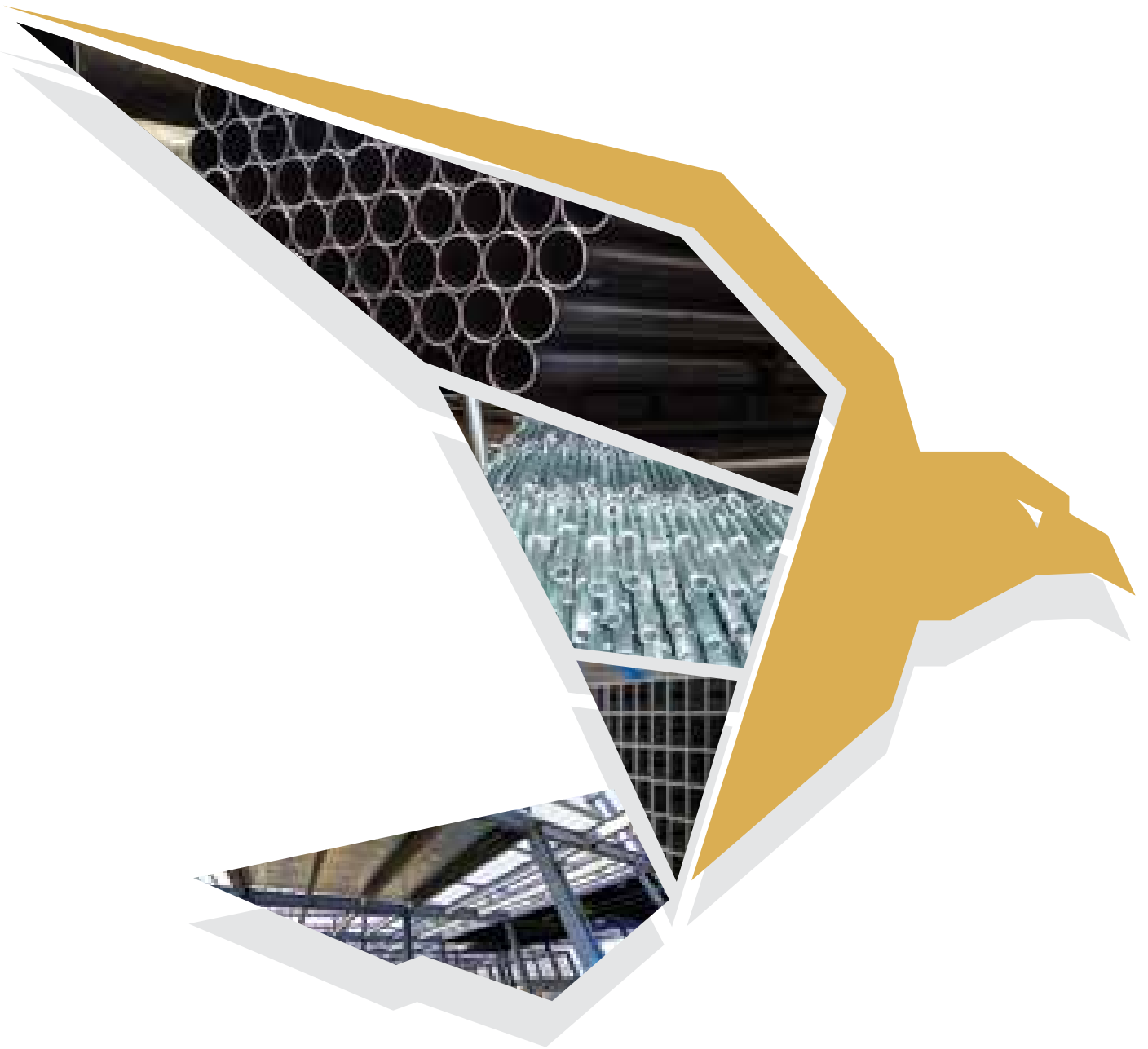
Yours faithfully

For **Rama Steel Tubes Limited**

**Kapil Datta**  
Company Secretary &  
Compliance Officer



Encl.: As above



Wings full of Capabilities.  
Horizon full of Opportunities.

**Wings full of  
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Horizon full of  
Opportunities.**



The journey towards a successful future requires constant improvements and leaps of growth. Our goal isn't determined by the miles we travelled to reach there, but the efforts we put in to do our best. We are moving ahead with a zeal to conquer our shortcomings and build a sustainable business for all our stakeholders. Like a bird, we have the ability to soar high into the sky and spearhead our team towards the spellbinding mountain of success. Our dreams have transitioned into reality. Our flight towards growth and expansion helped us cross the milestone of ₹ 500 Crore revenue in FY 2018-19. From our current standpoint, we see a land of opportunities, challenges, desires, and goals beneath us. To achieve what we see, we aim to accelerate our efforts to attain growth and feel that we need to excel at every task we do.

Our intent is to utilize the opportunities the current political and economic scenario is offering. With more and more opportunities for the domestic manufacturers, transparent B2B channels, growing infrastructural capabilities and the availability of state-of-the-art machinery, corporate entities like us need to strengthen their expansion and diversification strategies to garner the potential opportunities in the market.

In FY 2018-19, the overwhelming support and appreciation from our clients was a result of several factors. The expansion of our operations via our newly set-up unit at Maharashtra Plant in Khopoli, Mumbai helped us open our gates to new prospects and gain a leadership position in the market. We certainly added several valuable customers to our database as well as were presented with an opportunity to work with an efficient and motivated pool of talent.

From our quality-first material and products to our continuous client servicing, every investment that we made in terms of workforce and finance, helped us reach the top. The next level of growth isn't far from here. With our bird's eye view, we are focused on enhancing the product-market fit. This phase marks our beginning towards a journey where we would be able to recognize the pool of new opportunities and locations that could be added to our diversification strategies. Maintaining our product standards and service standards would remain our prime motto, however, we would also be on the lookout for new enhancements that could be turned into our core strengths thus offering value addition to each of our clients.

We plan to make further relentless efforts to be the best at what we do. Despite harsh market forces and growing competitiveness, we strive to retain our leadership position and believe to use the wind speed to take our great leap of growth!



Scan this QR code  
to view our digital  
annual report



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### Caution regarding forward looking statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## Building Capabilities - a relentless pursuit

**Growth is a mindset that not just encapsulates the vision and mission of an organization, but also includes the individual contribution towards a predefined goal. We believe that to be successful and growing, one needs to keep working on building capabilities as a continual process. We believe if we have the right capabilities, the success will not be far from our reach.**

We have been building such capabilities that are showing initial signs of success and encourage us to keep adding to these in times to come.

Between FY14 and FY19, we have grown our manufacturing capacities by 3 times from 60,000 MTPA to 1,68,000 MTPA

The latest in our stable is the beginning of capacity expansion project at our Khopoli Plant during FY19. Once the project is completed, the total capacity at Khopoli will increase by 60,000 MTPA from current 72,000 MTPA to 1,32,000 MTPA.

We are fast stabilizing the operations at our Anantpur (A.P.) facility, which was commissioned in the previous year (FY18) with an annual capacity of 36,000 MTPA.

Our vision for 'Green Energy Self-reliance' had seen its first definitive progress during FY18 with the commissioning of a large 'Captive Solar Power Plant' for 750 KW at our Khopli plant. We plan to take this green energy self-reliance to our other plants as well.

Our Sales Volumes have gone up to more than double from 42,419 MT in FY14 to 1,00,149 MT in FY19.



## The way forward on capability building:

As a growing organization, we are working diligently on capability building to meet the market needs and macro environment.

- We are working closely on market feedback and aim to adapt our products to serve the market requirements in a better way.  
During FY18, we had added a specialized product for the Solar Power industry.  
During FY19, we made definitive progress on expanding capacity for larger dia. M.S. Tubes / Hollow Section for large size products by 60,000 MTPA at our Khopoli plant from present 72,000 MTPA capacity.
- Geographically, we have a strong network in India as well as internationally. Our focus remains on growing selectively and further strengthening our key growth areas with a sustained supply of the right product mix in those territories.  
We have our reach in 200+ cities in India through a dealer network of 300+ touch-points. Internationally, we are present in the USA, Africa, and UAE through our sales offices. In UAE, we had set up a wholly-owned subsidiary in the year 2015-16 to have a greater focus in this high potential market.

- We are in a continuous quest to absorb the newest and most efficient technology in our operations. We are always on the lookout for new and advanced technology to multiply our production  
At present, we are using the latest technologies and advanced equipment from Kusakabe, Japan at our plants, a result of foresighted vision and commitment to excellence.
- We are present, with our products, in some of the high growth sectors like Roads, Buildings Construction, Urban Transportation, Water Supply, Electricity Transmission & Distribution to name a few.  
Given the growing opportunities in the sector, we were prompt to venture in products for Solar Energy projects.  
We are actively present in end-to-end project execution also. We have executed more than 400 projects till date.

Our present capabilities in already lucrative sectors of the economy provide us with confidence to have a solid revenue funnel. We are not stopping yet and building capabilities that are going to provide us with a sustained period of consistent growth in future.





## Poised to grow with immense opportunities

As one of the leading manufacturers in the steel tube industry, our products including pipes, hollow sections, structural steel and poles have catered to an array of sectors and infrastructural products.

Our ERW Galvanized Steel Pipes and Tubes have been used in Water Pipelines, Tube Wells, Gas and Oil Pipelines, Cross Country Pipelines. Similarly, Black Steel Pipes and Tubes have been used for Road Barriers, Temporary Fencing, Steel gates, and windows, Horse Riding Fences, Parking Lots, Steel Buildings, Industrial Gates.

The other three products, Swaged Poles, Structural Steel Products and Hollow Sections have been applied to projects like streetlights, automobiles and furniture, respectively, among others.

In a bid to expand and grow further, RSTL has decided to tap major government schemes to contribute in growing infrastructure of the country. Since these schemes and projects will require infrastructural components, there are opportunities galore for RSTL.

### Following are few such economic schemes that the company is eyeing:

- 1 Housing For All:** Prime Minister Narendra Modi's Pradhan Mantri Awas Yojana (PMAY) is an initiative by the Government of India in which affordable housing will be provided to the urban poor with a target of building 20 million affordable houses by 31st March 2022. This scheme is converged with other schemes to ensure houses have a toilet, Saubhagya Yojana electricity connection, Ujjwala Yojana LPG gas connection, access to drinking water and Jan Dhan banking facilities, etc. Thus, the scheme opens a gamut of opportunities for RSTL.
- 2 Urban Transport:** Projects like Bus Rapid Transit System (BRTS), urban transit infrastructure or metro rail projects, etc are a great way to expand and enhance the business opportunities.
- 3 Smart City:** The objective is to promote sustainable and inclusive cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. Some of the core infrastructure
- 4 Swachh Bharat:** The scheme making urban India free from open defecation and achieving 100% scientific management of municipal solid waste, includes eradication of manual scavenging and modern and scientific municipal solid waste management. The company eyes the project for immense opportunities.
- 5 Upcoming hotels/office complexes:** The company aims to provide services in other upcoming infrastructural projects in various cities.





Besides economic opportunities, the company also aims to grow from within and adopt in-house practices that will help the company grow and achieve greater heights. Some of them are:

**RIGHT PRODUCT MIX:**

The company will resort to right product assortment with providing the apt and required product and services to the customer.

**RIGHT PLANNING:**

After tapping the opportunity, right planning plays a vital role for the right execution, implementation and then achieving the goal.

**TIMELY DELIVERY:**

Providing the right products and services at the right time is key to happy customer and thus the business growth.

**DIVERSIFICATION:**

The Company aims to tap newer projects, reach newer cities and clients to reach newer heights.

**QUALITY:**

Quality is the strength of any company. It does not just make the existing customer happy but defines the base that pulls in other clients because of word of mouth. Therefore, RSTL will focus on delivering high-quality products, like it has been doing in the past.







**Expansion at Maharashtra Plant:**

Another feather in RSTL's cap was the initiating capacity expansion at Khopoli, Mumbai plant by an additional 60,000 MTPA, which will help us to venture into new markets.

**Preparing for tomorrow on competitive landscape:**

The competition in the market rose due to tuff market conditions. Consequently, our margins dipped as compared to the previous year, though it particularly helped RSTL in formulating a strategy for facing similar market challenges in the years to come.

Owing to our operational achievements last year with territorial expansion and an increase in our manufacturing capacity, we look forward to exploring greater opportunities in the times to come. These opportunities are also visible in newer industries like solar energy and power. On our main agenda for the coming years, we have:

- Increasing our South India Operations
- Explore possibilities of expanding our operations in new geographies or new products.
- Increasing capabilities and production of products for Solar Energy sector
- Growth in overseas business
- Securing our future energy needs through renewable sources
- Aiming for higher revenue targets

**Key numbers between FY18 and FY19:**

Particulars	Unit	FY18	FY19	Growth %
Gross Sales	₹ Lakhs	38,218.89	50,414.61	32
Net Worth	₹ Lakhs	7,874.05	8,700.94	11
Debtor Turnover Days	NoD's	37	34	8
Inventory Turnover Days	NoD's	68	46	32
TOL/TNW	Times	1.58	0.95	40
Total Installed Capacity	MT	1,68,000.00	1,68,000.00	0
Total Capacity Utilisation	MT	79,75.93	88,054.47	11
Capacity Utilisation %	%	47.13%	52.41%	11

# FY 19 - A year of Performance par excellence

RSTL's Financial report is the testimony of its growth. The Company has been witnessing decent growth in the gross sales and operating profits (EBIDTA) have also been on a rise over the last three consecutive years.

FY19 witnessed another year of performance par excellence and we take pride in sharing certain facts and numbers to this effect.

## HIGHLIGHTS OF THE YEAR GONE BY

**Highest ever Gross Sales:**

RSTL posted gross sales of ₹ 504 Crores in FY19, highest ever in its history

**New Customer base:**

We were able to add additional value to our business with an extended customer base

**Higher Capacity Utilization:**

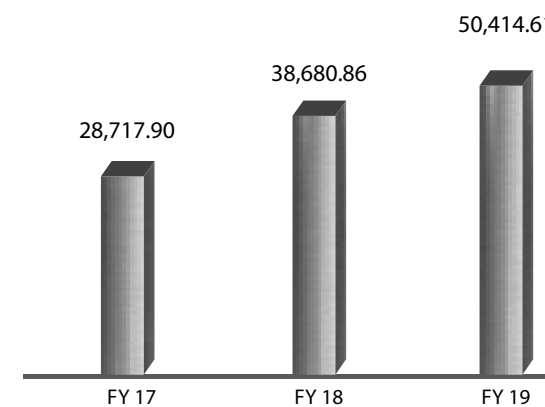
The total capacity utilization increased by 11% between FY18 and FY19 from 47.13% (79,175.93 MT) to 52.41% (88,054.47 MT)



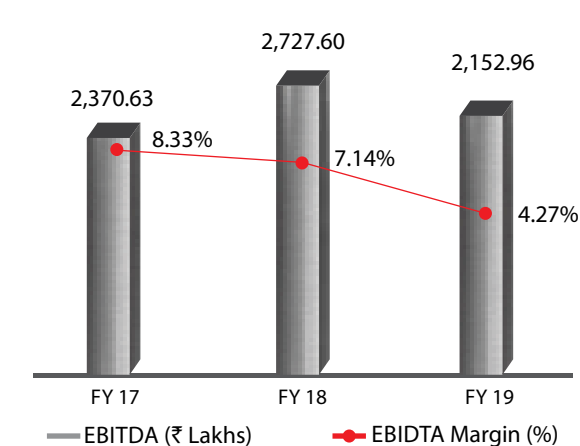
# Financial Highlights

Particulars	UNIT	FY19	FY18	FY17
Gross Sales	(₹ Lakhs)	50,414.61	38,218.89	28,442.34
EBIDTA	(₹ Lakhs)	2,152.96	2,727.60	2,370.63
PBT	(₹ Lakhs)	939.34	1,844.72	1,311.89
PAT	(₹ Lakhs)	855.35	1,273.50	939.09
Sale Volume	(In M.T.)	1,00,148.55	83,977.32	62,456.97
EPS	(₹)	5.09	7.62	6.28
Net Worth	(₹ Lakhs)	8,700.94	7,874.05	5,237.53
<b>Ratios</b>				
EBIDTA	(%)	4.27%	7.14%	8.33%
PBT	(%)	2.46%	4.83%	4.61%
PAT	(%)	2.24%	3.33%	2.46%
ROI/ROCE	(%)	8.53%	15.14%	16.04%
ROE	(%)	10.90%	19.29%	21.85%
Sales Value Growth	(%)	31.91%	34.37%	7.74%

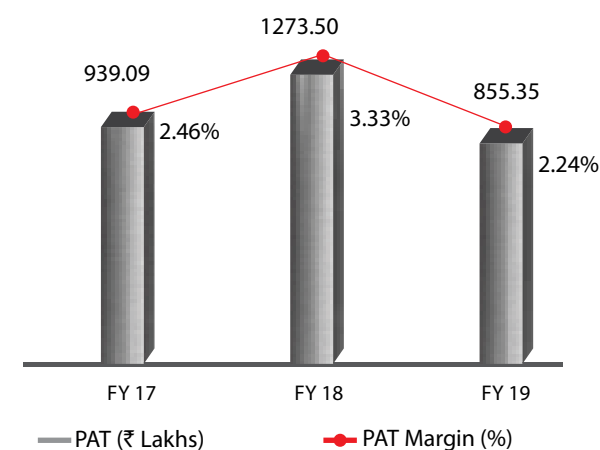
Total Income (₹ Lakhs)



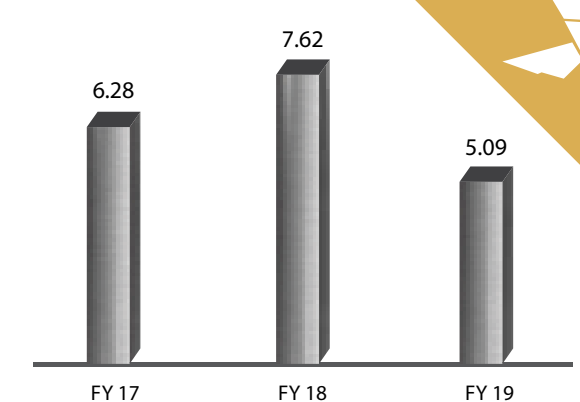
EBIDTA (₹ Lakhs) & EBIDTA Margin (%)



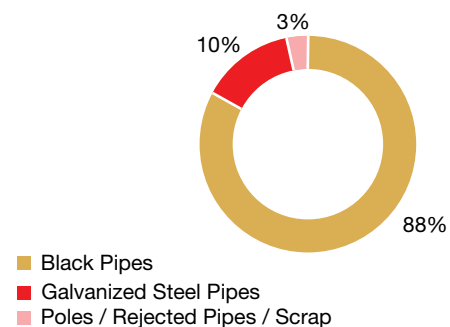
PAT (₹ Lakhs) & PAT Margin (%)



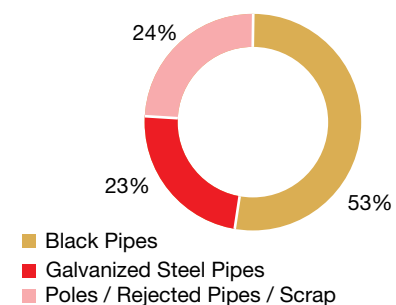
EPS (₹)



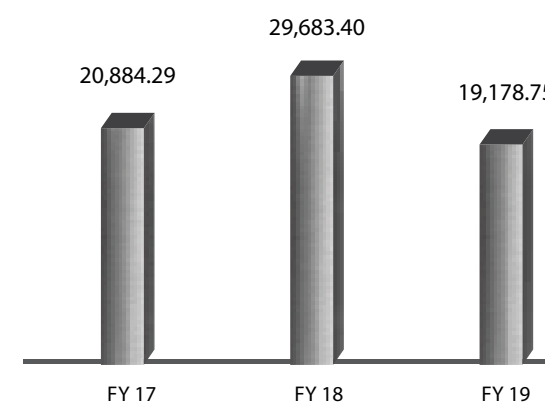
Product Segment-Wise Contribution (%) FY18



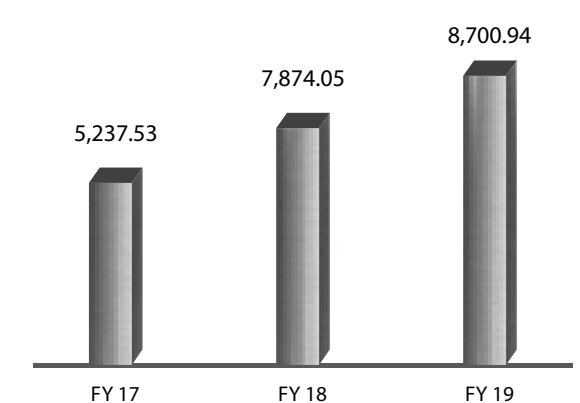
Product Segment-Wise Contribution (%) FY19



Market Capitalization (₹ Lakhs)



Net Worth (₹ Lakhs)



## From The Desk of Chairman & Managing Director



*Dear Shareholders,*

I am pleased to report that our Company has continued to deliver steady performance during the year FY18-19. We have achieved remarkable revenue growth on the back of our significant capacity additions done over the past few years.

Global economy growth softened in 2018 led by increasing trade tension between major economies, weakened manufacturing activities and slowed consumer spending resulting in reduced investments across the globe. Going forward, strong demand recovery and fiscal impetus across economies are supposed to lead the revival of the global economy.

The consumption of steel has been considered an important indicator to measure the economic development of a country. Steel forms a key ingredient in the growth of traditional sectors such as construction, housing, and ground transportation. The increasing focus of government towards agriculture as well as housing will be the major demand driver for the Indian pipe industry in the coming future. The demand will be further supported by rapid urbanization, rising construction, and building of infrastructure.

In the wake of the expected exponential growth of the pipe industry, stringent quality controls, international standard certifications, and technological advancements are the only tools with which a Company can outwit the competitors in the industry. Also, with the evolution of hollow section tubes, the pipe industry observed a major turnaround and your Company has also benefitted from this opportunity, due to its increased usage in many industries.

Rama steel plays a pioneering role in the Indian steel industry, with state-of-the-art steel tubes and pipes manufacturing facilities, multi-product portfolio, international presence, continuous modernization, and upgradation of plants and improving energy efficiency. Your Company is well-equipped and well-positioned to

capitalise opportunities gained from the economic growth in India. The vital and continuous effort of your Company to emerge as a pioneer in the steel tube industry has been possible by capitalizing its enhanced quality and technological advancement abilities.

Your Company is fully committed to focus on technology advancements and R&D, to provide high value-added, superior and customised products to its reputed and strong customer base. Your Company is constantly partnering with the Government for the country's social upliftment by actively participating in rural electrification projects.

During FY18-19, total revenue recorded an astonishing growth of 31% reaching to ₹ 506.79 Crores as compared to ₹ 386.81 Crores achieved in FY17-18. The growth was primarily aided by stable steel prices, higher capacity utilisation and increased output from new capacity additions made during the last year. Your Company constantly endeavours to expand and upgrade manufacturing capacity for ensuring higher sustainable growth. During the year, we invested ₹ 0.93 Crores for upgrading capacity in Mumbai (Khopoli) plant in Maharashtra which is under work in progress and further we will invest approximately ₹16 Crores in FY 2019-20 which would lead to higher production and ultimately increase your Company's revenue base and profitability in FY 2019-20. In FY18-19, the capacity utilization has improved to 88,054.47 MTPA as against 79,175.93 MTPA in the previous year. During the previous year, your Company has faced stiff competition due to the same profitability has impacted. However, the solar plant in Khopoli helped in reducing the energy costs to some extent thereby preventing the further erosion in profit. Consolidated Profit after Tax for the year under review stood at ₹ 8.55 Crores as compared to ₹ 12.73 Crores in the previous year.

Your Company has already introduced one of India's largest solar energy projects with an installed capacity of 750KW in the previous year. The Company is further planning to set up solar power plants each in Andhra Pradesh and Uttar Pradesh which will help to reduce power cost to a great extent. To cater to the ever-increasing market demand in the Southern region, the Company has set up a new manufacturing plant in Andhra Pradesh with an installed capacity of 36,000 MT per annum. This has also contributed to higher revenue in FY18-19 due to an increase in product output. Along with the renewed and enhanced capacity, the total installed capacity stood at 168,000 MT in FY18-19. Your Company has a wide product portfolio and is looking for further upgrading its installed capacity at its Khopoli,

Mumbai plant. These expansions will further enhance our efficiencies and will generate superior returns at lower costs.

Going forward, the Company is also planning to add more SKUs to effectively carry out its product distribution across the country. That move will not only build a higher customer base but also enhance the top line of your Company. With higher standards set for product quality and constantly upgrading it with the latest technology, your Company has become the most preferred choice for all its customers. Sustainable growth has always been an integral part of our growth journey and we will continue to explore strategic opportunities – both in domestic and international markets.

Constant Value addition and commitment towards achieving excellence are the two broad pillars on which your Company has been creating value for its stakeholders. To embark on a journey of success one needs the tools of preparedness, foresight, and strategy. Realizing such responsibility on our shoulders, we endeavour to be one of the most competitive company in the industry with an emphasis on efficiency in business operations as well as reliability for our customers.

We are confident of achieving higher growth in the future. I would like to extend my gratitude to every member of our team for their sustained, untiring efforts in making Rama Steel a leading steel Company in the country as well as a prominent name in the world. I would also like to thank all our stakeholders, board, bankers, employees and the government for their support and assistance provided throughout our journey.

I solicit your continued cooperation.

Sincerely,

**Naresh Kumar Bansal**

Chairman & Managing Director



## Rama Steel Tubes Limited – Know Us

At Rama Steel, our lineage is strong and has deep roots going back to 45 years since our inception. We have seen many ups and downs of the macro environment as well as the internal business challenges but every time, we learned our lessons and sustained all this time with victorious colors. While we are still on our way of becoming one of the leading steel tubes & pipes manufacturers and marketers, it is definite that our journey up till there would be a memorable one and with many a milestone.

### Our Vision & Mission



To emerge as a leading manufacturer in the steel tube industry on the basis of our quality and strength.

- To serve to the satisfaction of our customers by producing products that are symbols of durable excellence.
- To add every possible value in our service in pursuit of a strong and long term bond with our customers.
- To sustain our position as one of India's valuable enterprise through the highest standards of quality, creating greater value for India's economy and our stakeholders.



We also execute end-to-end projects for our customers and it involves providing products and execution services. Until now, we have completed more than 400 projects for some leading clients.

### Our Manufacturing Infrastructure

We have our manufacturing footprints in the following states with cumulative steel-making capacity of 1,68,000 MTPA:

Uttar Pradesh	Maharashtra	Andhra Pradesh
Two plants in Sahibabad, U.P. Capacity: 60,000 MTPA	One plant in Khopoli, Maharashtra Capacity: 72,000 MTPA	One plant in Anantpur, Andhra Pradesh Capacity: 36,000 MTPA

### Our Market Reach

Our India market presence is marked in 200+ cities through 300+ dealers & distributors.

Our international market presence includes countries like the United Kingdom, UAE, Sri Lanka, Ethiopia, Kenya, Uganda, Ghana, Kuwait, Republic of Congo, Yemen, Guyana, Germany, US, South Africa, Zambia, and Malta, etc. We have a wholly-owned subsidiary company based out of Dubai, U.A.E. known as RST International Trading F.Z.E. (U.A.E.).

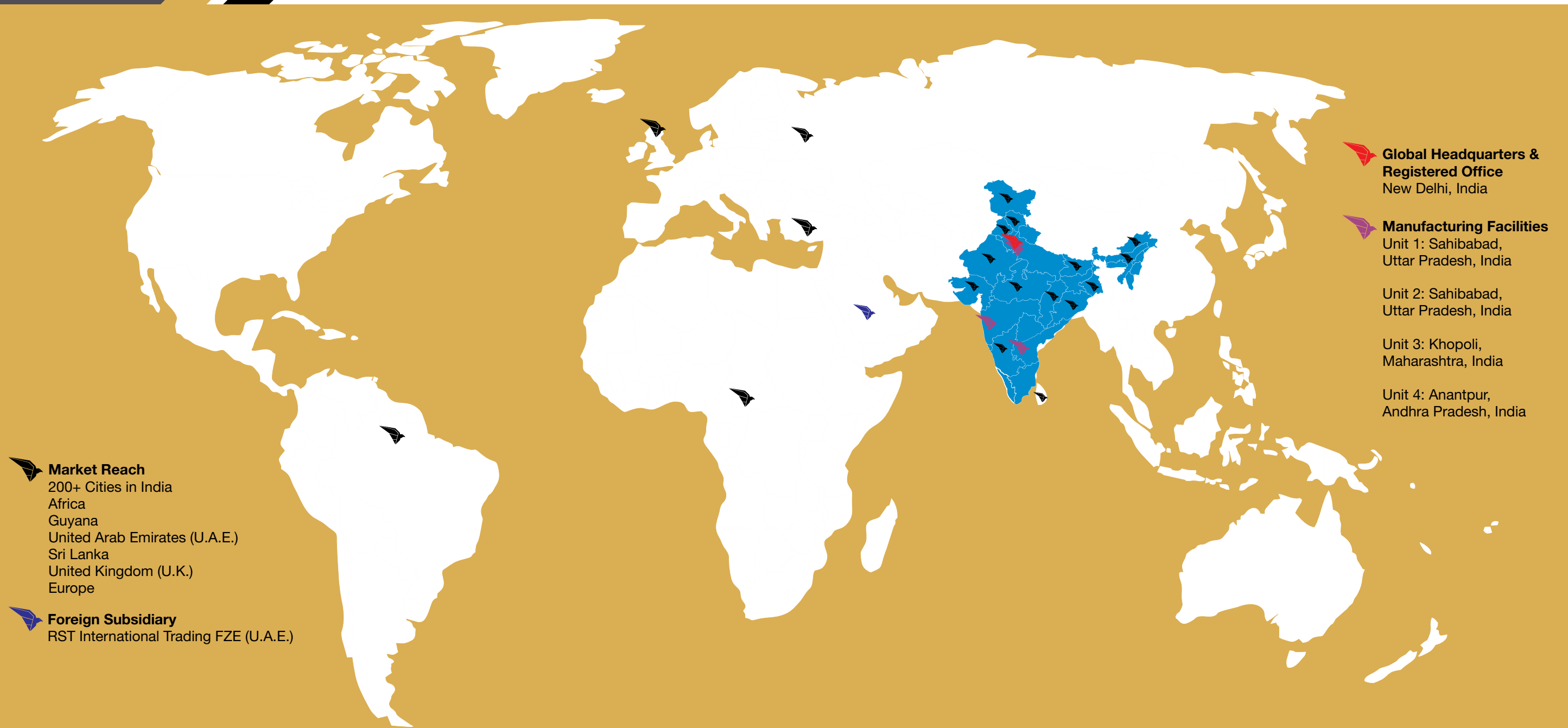
### Key Numbers





# OUR PRESENCE

Rama Steel Tubes Ltd has developed a strong national and international presence over the period of more than 4 decades. RSTL has its global headquarters in India and takes its products to the world with a strong network of marketing footprints.





## Brand RAMA

### RSTL is today present in over 17 countries! Here's why

Besides India, RSTL today has marked its presence in over 17 countries, with happy customers being the testimony of its growth. Here is the reason behind the success story.



In **India**, RSTL has a strong distribution network of 300+ dealers across the country with a market network in 200+ cities.

With continuous hard work and perseverance, the Company has spread its wings to different parts of the world markets, including countries like the **United Kingdom, UAE, Sri Lanka, Ethiopia, Kenya, Uganda, Ghana, Kuwait, Republic of Congo, Yemen, Guyana, Germany, USA, South Africa, Zambia, and Malta.**

Its subsidiary, **RST International Trading FZE** which contributed around 9% to the Company's revenues for FY2018-19, has helped the company make a stronghold in international markets especially in the UAE region.



### Brand Mantra and Goodwill

Quality Products, On-time Delivery, and Customer Satisfaction have always been the top priorities of RSTL. In its constant efforts to be the best, RSTL believes in innovating and adapting newer technologies to meet customer needs and demands.

Keeping in tune with this, RSTL has the latest Japanese Technology at all its manufacturing locations. RSTL has always believed in planning and its well-formulated road map has helped RSTL to deliver the best products and thus establish lasting relationships with our customers.



At RSTL, the Customer comes supreme. We give top priority to customer satisfaction. From timely deliveries to the latest technology and quality, we thrive to keep the customer

contented, which in turn forms the backbone of any company's success. Consistency plays a vital role in any organization to grow. RSTL also believes in keeping up the good work on a continuous basis. This ensures the Company's success and growing business over time.

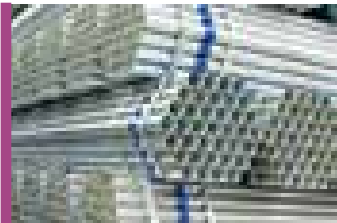
In a competitive market like today, keeping a tab on your competitors is equally important. A good healthy competition only leads to better performances, improvement and growth.

# Our Products

From electricity poles to automobile, RSTL does it all!

With products ranging from the steel pipes and tubes to poles and hollow sections, RSTL caters to a wide section of products, areas, and projects.

Here is our range of products that is an integral part of modern-day infrastructure



### ERW Galvanized Steel Pipes and Tubes.

**Widely Used For:** Water Pipelines, Tube Wells, Gas and Oil Pipelines, Cross Country Pipelines



### ERW Black Steel Pipes and Tubes.

**Widely Used For:** Road Barriers, Temporary Fencing, Steel gates and windows, Horse Riding Fences, Parking Lots, Steel Buildings, Industrial Gates



### Scaffolding Pipes and Tubes

**Widely Used For:** Handrails, Piling, Sign Poles, Bumpers, Bracings, Towers, Support, Rollers, Casing



### Swaged Poles

**Widely Used For:** Traffic and Street Light Poles



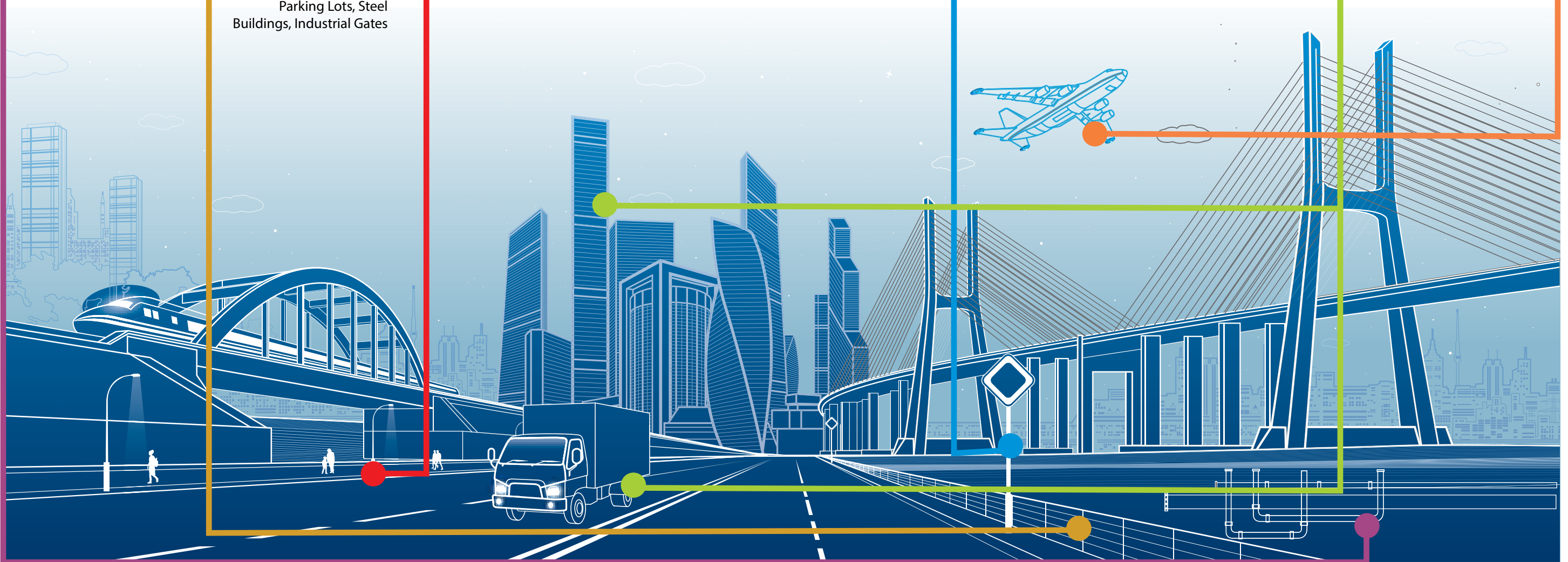
### Structural Steel Products

**Widely Used For:** Hollow Sections for Real Estate, Automobiles



### Hollow Sections

**Widely Used For:** Furniture, Automobiles, Chassis, Pallets, Staircases, Hydraulic Platforms, Columns, Trolleys



# Key Projects

## Beyond products, we deliver value through project execution!

At Rama Steel, we have taken our game of adding value to steel to the next level with an increasing number of projects we execute. While adding value to our client's expenditure, we have been able to add more to our margins as well.



**BSES Rajdhani Power Limited (BSES)**  
Project: Earthing Electrodes  
Products Used: GI Pipes



**Gujarat Gas Limited**  
Project: Gas distribution  
Products Used: Pipes



**Uttarakhand Power Corporation Limited (UPCL)**  
Project: Rural Electrification  
Products Used: Steel Pipes & Steel Poles



**Power Projects**  
Project: J&K Rural electrification  
Products Used: Steel Pipes & Poles



**Purvanchal Vidyut Vitran Nigam Limited**  
Project: Kumbh Mela Electrification  
Products Used: Steel Tubular Poles



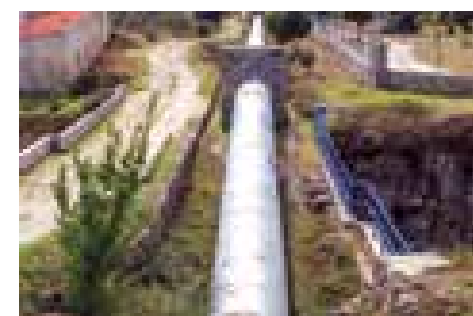
**Dakshinanchal Vidut Vitran Nigam Limited**  
Project-Village & Highway Electrification  
Products Used- Steel Tubular Poles



**Paschimanchal Vidyut Vitran Nigam Limited**  
Project: Village & Highway Electrification  
Products Used: Steel Tubular Poles



**Noida Power Corporation Limited**  
Project: Electrification in Noida  
Products Used: Earthing electrodes & Steel Tubular Poles



**UP & Utrakhand Peyjal Nigam**  
Project: Water distribution  
Products Used: GI Pipes



**HPCL Bhatinda & Manglore Refinery Project**  
Project: Refinery Project  
Products Used: Pipes





## Board of Directors



**Mr. Naresh Kumar Bansal**  
Chairman & Managing Director

A law graduate with a vision to reach the top, he has been showing his business acumen for the past more than 40 years. His dynamic vision and sharp mindedness have brought RSTL to its current market position. His industry knowledge and business sense remain unparalleled. His insights on providing the best products and business values to our various stakeholders have been the guiding light for RSTL. It can be rightfully said that he is the backbone of the company.



**Mr. Richi Bansal**  
Executive Director & CEO

His involvement in bringing RSTL to the top of its market game cannot be talked enough. He helps the Company with excellent marketing capabilities coupled with strategic thinking. With his sharp analysis of the market and goal to increase our stakeholder value, he has been a building force at RSTL. The distant dreams of newer heights of success do not seem to be too far under his guidance.



**Mr. Surender Kumar Sharma**  
Executive Director

He spearheads the managerial functions at RSTL and helps us achieve excellence at every department. His hard work and meticulous planning serve as an excellent example of being committed to your work.



**Mr. Rajendra Prasad Khanna**  
Independent Non-Executive Director

He has brought tremendous value to the organization and streamlined the manufacturing processes. With over 40 years of engineering experience, he understands technology well and helps RSTL stay updated about new developments and landmarks in its area of operations.



**Mr. Bharat Bhushan Sahny**  
Independent Non-Executive Director

He has previously served the prestigious post of the Director Delhi Stock Exchange and overall he has worked there for more than 27 years. His sharp thinking, well-formulated plans and exceptional implementation skills showcase his business acumen. His contribution to RSTL is invaluable.



**Mrs. Anju Gupta**  
Independent Non-Executive Director

A first-generation entrepreneur, her dynamic problem-solving approach has helped us in achieving greater fetes. With her hard-work and passion towards her work, she sets the right example for everyone at RSTL.



## Management Team

### Mr. Naresh Kumar Bansal

Chairman & Managing Director

With over 41 years of experience, Mr. Bansal handles the strategic planning and identification of new growth drivers for the Company.

### Mr. Richi Bansal

Executive Director & CEO

With over 16 years of experience, Mr. Richi Bansal is responsible for the administrative aspect; and marketing and finance functions of the Company along with formulation of business development strategies.

### Mr. Rajeev Kumar Agarwal

Chief Financial Officer

Mr. Agarwal is a qualified Chartered Accountant and Company Secretary with over 11 years of experience in matters related to Corporate Finance, Budgeting, Taxation, Audit, Secretarial and Accounting.

### Mr. Dev Raj Kamra

Head-Sales & Marketing

Mr. Kamra, is a graduate with over 41 years of experience and handles the sales and marketing functions efficiently.

### Mr. Anil Sharma

General Manager-Works

Mr. Sharma, an engineer by education, is responsible for matters related to production, manpower management and productivity management.

### Mr. Ranjeet Singh

Senior Manager-Accounts & Finance

Mr. Singh is MBA in Finance & M.Com. with over 15 years of experience in managing accounts and finance departments of the Company.

### Mr. Kapil Datta

Company Secretary & Compliance Officer

Mr. Datta is a qualified Company Secretary and handles all the duties related to the Company's Secretarial work along with ensuring fulfillment of various compliances.

## Corporate Information

### BOARD OF DIRECTORS

**Mr. Naresh Kumar Bansal**  
Chairman & Managing Director

**Mr. Richi Bansal**  
Executive Director & CEO

**Mr. Surender Kumar Sharma**  
Executive Director

**Mr. Bharat Bhushan Sahny**  
Independent Director

**Mr. Rajendra Prasad Khanna**  
Independent Director

**Mrs. Anju Gupta**  
Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**  
Mr. Kapil Datta

**STATUTORY AUDITORS**  
M/s Alok Mittal & Associates, New Delhi

**SECRETARIAL AUDITORS**  
M/s Arun Kumar Gupta & Associates, New Delhi

**COST AUDITORS**  
M/s S.Shekhar & Co., New Delhi

### REGISTRAR AND SHARE TRANSFER AGENT TO THE COMPANY

Big Share Services Private Limited  
302, Kushal Bazaar, 32-33, Nehru Place  
New Delhi-110019.  
Telephone No.: 011-42425004  
Email Id: bssdelhi@bigshareonline.com

### REGISTERED OFFICE

A-15, 3rd Floor, Swasthya Vihar,  
New Delhi-110092  
Telephone No.: 011-49446661  
Fax No.: 011-43656699

### 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
4. Lepakshi Tubes Pvt. Ltd.  
Survey N-398, Nayanapalli Road,  
Village Kallur, Lepakshi Mandal,  
Distt. Anantpur, Andhra Pradesh

### PRINCIPAL BANKERS

Axis Bank Limited  
HDFC Bank Limited  
Canara Bank  
Punjab National Bank





# Business Responsibility – The way of life at Rama Steel

Business Responsibility or Corporate Social Responsibility (CSR), as commonly known, has become one of the standard business practices of today's times. It is a powerful way of saying what a business stands for or swears by in terms of its business responsibility, amid its corporate goals in the competitive business world. The Company's CSR strategy includes policies and procedures which concern social, environmental, ethical, human rights and business sustainability measures. At Rama Steel Tubes Limited, our Business Responsibility strategies and execution revolve around caring and sharing with the society, our people and our environment while staying sustainable as a business in the long run.



Tree Plantation drive



Tree Plantation drive

## Our business responsibility measures are focused around the following:

### Society



### Environment



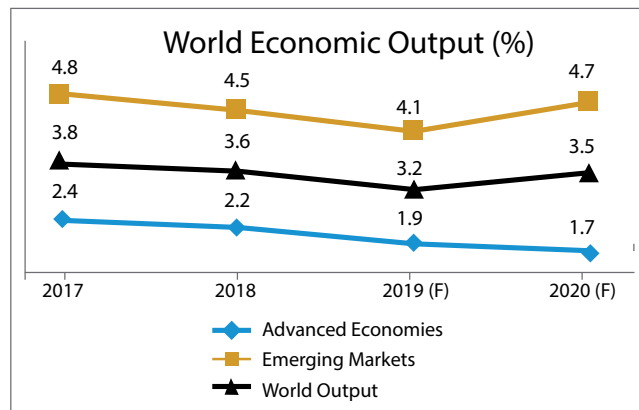
### Sustainability



# Management Discussion and Analysis

## WORLD ECONOMY

Global economic growth exhibited positive outlook as the United States and China trade relations are expected to improve over the coming period. Key risks like weak trade growth, global financial tightening and slowed manufacturing growth have contributed towards lower than expected economic growth while the development prospects are expected to pick up in 2020. As per International Monetary Fund (IMF), world economic output growth rate is predicted to be slower from 3.6% in 2018 to 3.2% in 2019 before growing to 3.5% in 2020.



Source: IMF's World Economic Outlook report- July 2019

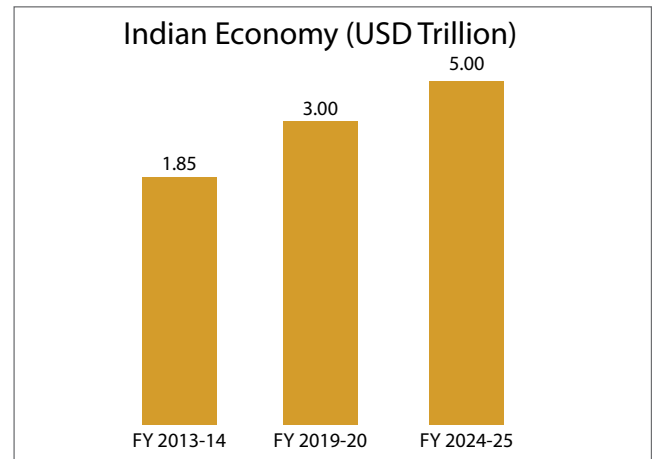
Reduced consumer spending and weakening business activities across economies combined with China's local regulatory tightening affected the growth for emerging markets, which is expected to decline from 4.5% in 2018 to 4.1% in 2019. However, with positive market sentiment along with adequate fiscal control and effective financial measures, the growth is expected to reach 4.7% in 2020. Subdued inflation pressure, reduced commodity prices and the launch of new fuel emission standards for diesel-powered vehicles in Europe has led to deterioration in growth of the advanced economies, which is further expected to decline from 2.2% in 2018 to 1.8% in 2019 and 1.7% in 2020.

## INDIAN ECONOMY

Recent Global economic slowdown has also stressed India's economic growth, as reflected in slower than expected growth in Indian GDP. As per Economy Survey Report July 2019, Indian GDP grew slower by 6.8% in FY18-19 as compared to 7.2% in FY17-18 and is projected to grow by 7.0% in FY 2019-20. IMF also predicts the Indian economy growth of 7.0% in FY 2019-20 backed by anticipated pickup in investments and acceleration in consumption. RBI is also implementing adequate fiscal and monetary measures to revive the growth process in India for

achieving a level up performance. India is envisaged to be the fastest growing economy; all set to become a USD 3 trillion economy by the end of FY19-20 and USD 5.0 trillion economy by FY24-25. Robust push for technology, growth of social infrastructure, digitisation, reducing pollution, unemployment and other major issues faced by the economy have been envisioned in the Union Budget for FY19-20.

As the short term effects of GST (Goods & Services Tax) and demonetisation subside, Indian economy is now expected to achieve faster growth. The growth will be further supported by centrally sponsored schemes like Make in India, Digital India, Skill India, Rural electrification programs, Smart Cities Mission, Impetus on strong infrastructural growth, reduced inflation, sound growth in exports and private investments. Such robust government intervention has also improved India's stand in World Bank's Ease of Doing Business Rankings by recording a jump of 23 positions to 77th rank among 190 countries. Increasing FDI, consumer expenditure, upliftment of low income masses to the middle class level and constant upgradation of infrastructure and other amenities would enforce an all-round development in India.

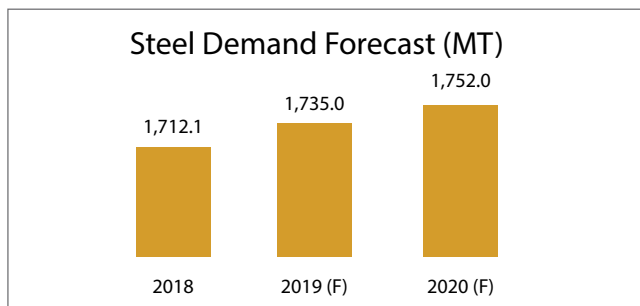


Source: IBEF report on Union Budget 2019-20

## GLOBAL STEEL TUBES & PIPES INDUSTRY OUTLOOK

Globally steel industry has been ever-growing at a considerable pace and is expected to experience continuous growth going forward. As per the World Steel Association (WSA), global crude steel production stood at 1,808.6 million tonnes (MT) in 2018, up by 4.5% over that of 2017. The major contributors namely China, India and Japan registered production growth of 6.6%, 4.9% and 0.4% respectively in 2018, while the European Union registered 0.3% contraction in steel production in 2018.





Source: World Steel in Figures report, 2019

Steel demand in the developed economies grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. In the United States, steel demand was driven by government-led fiscal stimulus that resulted in high confidence and a robust job market in the country. With waning effects of fiscal measures taken and a tightening monetary policy combined with moderation in construction and manufacturing growth, oil and gas exploration and infrastructure spending, the demand in developed economies is expected to further decelerate to 0.3% in 2019 and 0.7% in 2020.

Steel demand in emerging and developing economies excluding China is expected to grow by 2.9% and 4.6% in 2019 and 2020 respectively, making it the fastest growing region in the global steel industry. Certain internal and external uncertainties such as trade and tariff related tensions along with volatile currency movements pose risk towards the growth expectations for the emerging markets despite resilient growth expected in the coming years.

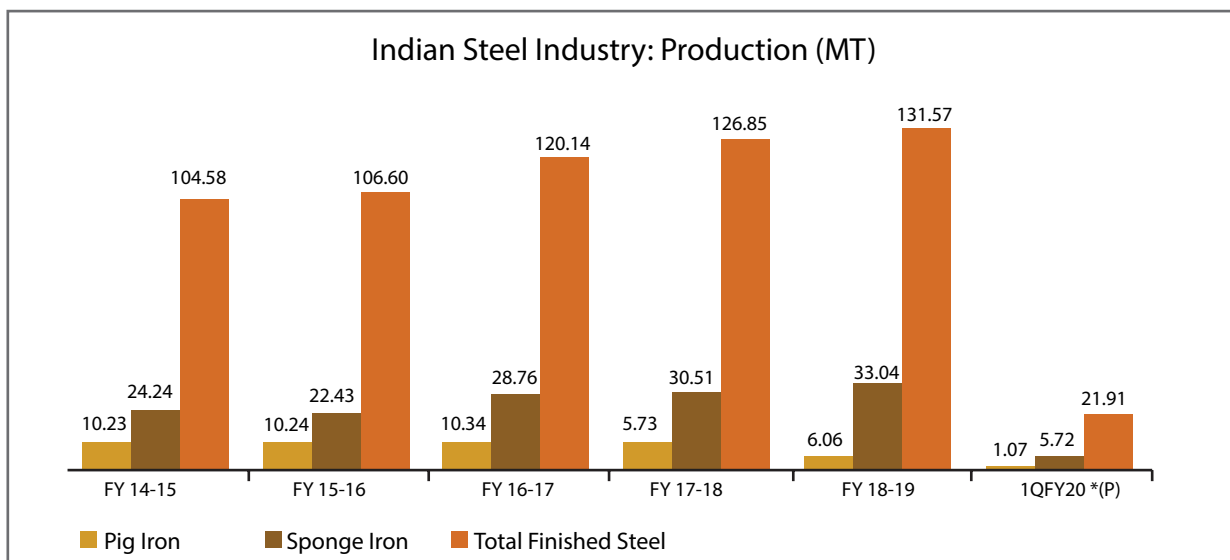
### INDIAN STEEL INDUSTRY

Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel. India has also being the third largest finished steel consumer during 2018, after US &

China. The country has also been the largest producer of Sponge Iron in the world with an annual capacity of 49.6 MT in FY17-18. In FY18-19, production of total finished steel (alloy + non alloy) stood at 131.57 MT, representing a growth of 3.7% over previous year. India has also been an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. Production of Pig Iron in FY18-19 was 6.06 MT, a growth of 5.7% over last year. The private sector accounted for 90% of total production of pig iron in the country in FY18-19. The total Sponge Iron production in the country stood at 33.04 MT in FY18-19, out of which coal based route accounted for 79%.

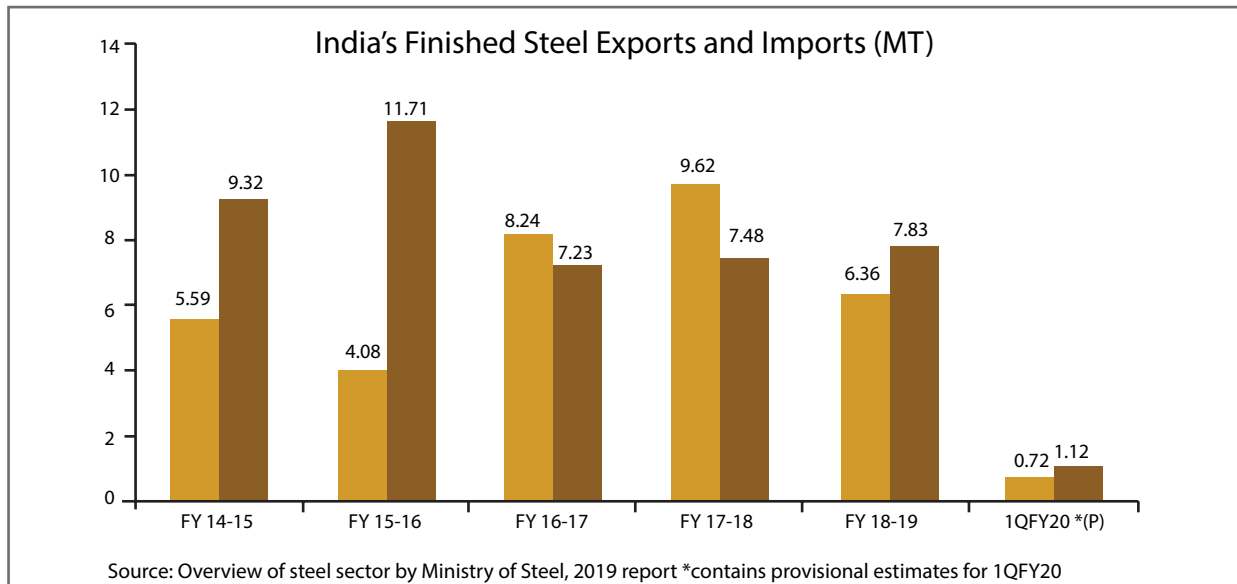
India has emerged as a net exporter of total finished steel in FY16-17 and FY17-18 but has become a net importer in FY18-19. For the year under review, Indian Steel industry witnessed 0.72 MT exports and 1.12 MT of Imports. As per the World Steel Report, the wide range of continuing infrastructure projects is likely to support growth in Indian steel demand above 7% in both 2019 and 2020. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized and expanded, a large number of new steel plants have also come up in different parts of the country. In the last few years, the rapid growth in steel demand has also prompted domestic entrepreneurs to set up Greenfield projects in different states of the country.

Source: worldsteel.org/media-centre/press-releases/2019/worldsteel-short-range-outlook-april-2019.html,



Source: Overview of steel sector by Ministry of Steel, 2019 report,\* contains provisional estimates for 1QFY20





Source: [worldsteel.org/media-centre/press-releases/2019/worldsteel-short-range-outlook-april-2019.html](http://worldsteel.org/media-centre/press-releases/2019/worldsteel-short-range-outlook-april-2019.html),

**Government Initiatives:** Centrally sponsored schemes such as Smart City Mission, Housing for All, improvement in the areas like transport & communication, expansion in electricity generating capacity especially using solar energy, urban infrastructures like metro rail, malls, airports etc. are expected to boost growth in the steel industry, some of them are discussed as follows:

- **National Steel Policy 2017:** National Steel Policy has been formulated by the Ministry of Steel, which aims to achieve 300 MT of steelmaking capacity and increase per capita steel consumption to 160 KGs by 2030-31. This would translate into additional investments of ₹10 lakh crore (USD 156.08 billion). Since the roll out of this New Steel Policy in May 2017, an estimated savings of ₹5,000 crore of foreign exchange outflow have been achieved as on 10th June 2018. Also the Domestically Manufactured Iron & Steel Products (DMI&SP) policy, with the aim that government tenders to give preference to domestically manufactured steel and iron products has resulted in net savings of foreign exchange outflow to the tune of ₹8,000 crore as on 22nd January 2019.

- **R&D Promotion:** The scheme for the promotion of R&D (research and development) in the iron and steel sector has been continued under the 14th Finance Commission (FY19-20). Under the scheme, 26 projects have been approved with financial assistance of ₹161 crore (USD 24.98 million) from Ministry of Steel. The Ministry of Steel has been actively participating in the Impacting Research Innovation & Technology (IMPRINT) & Uchchar Avishkar Yojana (UAY) Schemes launched by Ministry of Human Resource Development. IMPRINT scheme aims to solve major engineering and technology challenges and UAY has been promoting industry sponsored, outcome-oriented research projects. Further Ministry of Steel has set up an industry driven institutional mechanism under Steel Research & Technology Mission of India (SRTMI) with an initial corpus of

USD 30.89 million. The institute would facilitate joint collaborative research projects in the sector.

- **Change in Custom Duty:** In Union Budget 2019-20, customs duty on stainless steel products increased by 2.5% to 7.5%. It was also proposed to increase duty on other alloy steel and wire of other alloy steel (other than INVAR) to 7.5% from 5%. The increase in custom duty will provide boost to domestic steel industry. However, the custom duty on MgO coated cold rolled steel coils, Hot rolled coils, Hot rolled annealed and pickled coils etc. has been reduced to 2.5% from 5%.

**Source:** IBEF report on Steel industry 2019, India Budget 2019-20, [btvi.in/news/india-saved-rs-5-000-cr-forex-post-new-steel-policy--secretary/78462](http://btvi.in/news/india-saved-rs-5-000-cr-forex-post-new-steel-policy--secretary/78462), <http://pib.nic.in/PressReleaseframePage.aspx?PRID=1560947>

#### GLOBAL STEEL TUBES & PIPES INDUSTRY OUTLOOK

Steel tubes and pipes application areas include transport, energy, buildings and infrastructures, regular household appliances such as fridges, heating system and plumbing systems. Infrastructure sector includes building requirements like pipe bollards and hand rails also use steel tubes and pipes. As per the World steel report, total exports of Steel tubes and fittings stood at 41.3 MT in 2018, declined by 1.44 % from 41.9 MT in 2017. Oil & gas sector is the biggest consumer of steel pipes globally. Heightened activity in both, the global energy markets is expected to trigger sustained demand for steel pipes. Going forward, it is estimated that global Stainless Steel Tubes and Pipes industry will continue rising with a stable growth rate. Also with the rise in investments, the production and sales of Stainless Steel Tubes and Pipes products would also grow at a considerable rate.

**Source:** [industryreports24.com/32197/stainless-steel-pipes-and-tubes-market-size-status-and-demand-outlook-2019-to-2025/](http://industryreports24.com/32197/stainless-steel-pipes-and-tubes-market-size-status-and-demand-outlook-2019-to-2025/)



**INDIAN STEEL TUBES & PIPES INDUSTRY OUTLOOK**

Indian steel tubes and pipes market is primarily an un-organised market. The tubes and pipes exports contributed 10% of total steel exports amounting to 1.1 Million Metric Tonnes (MT) in 2018. Nigeria and the United States contributed for 14% and 11% of India’s tubes and pipes exports accounting for 0.14 MMT and for 0.11 MMT respectively in 2018. Areas like Oil & Gas exploration, production & distribution and Infrastructure projects such as railways, ports and airports, water projects, residential construction, consumer durables etc. involve huge requirement of steel tubes and pipes. Demographic factors such as higher disposable income, rise in purchasing power, increasing workforce, would also enhance sales in automobile and durables sector which in turn will lead to higher demand for steel tubes and pipes.

The industry has witnessed growth resulting out of product evolution like hollow pipes for infrastructure. Gradually this segment has grown manifold replacing angles, channels,

wood, etc. With industry now focusing on increasing numerous applications, new products are being explored and added continuously. Further, ERW steel pipe industry is leveraging on the growth from its increased usage in unconventional sectors such as construction of malls, airports, bus body, metros, gym equipment, furniture, etc. The government push for expanding network of highways, railways and airports and related Upgradation activities providing huge scope for steel tubes and pipe industry. As per 2019 Union Budget, the Government of India is likely to invest up to ₹1 trillion on several key government backed infrastructure projects (renewable energy, metro, irrigation and urban development) and social projects (Atal Mission for Rejuvenation and Urban-AMRUT, National Rural Drinking Water Programme-NRDWM) during FY19-20. The execution of these projects will provide demand impetus for ERW pipes.

**Source:** [trade.gov/steel/countries/pdfs/exports-India.pdf](https://trade.gov/steel/countries/pdfs/exports-India.pdf), May 2019

Major growth drivers for Steel Tubes and Pipes Industry: The major growth drivers relating to Government initiatives that are supposed to augment the steel tubes and pipes industry are discussed as follows:

Housing for All by 2022	MS Black Tubes and Hollow Section for Roofing, Rails, Grills, Gate etc. Tubes and Pipes used for prefab home and shelter
Smart Cities	Large hollow section pipes and poles used in infrastructure projects, street lightings, sewage etc.
24x7 Electricity - DDUGJY (Deen Dayal Upadhyaya Gram JyotiYojana) / Saubhagya Yojna	Power Transmission and Distribution structures and poles
National Highway Development Programme	Road crash barrier for highway safety
Renewable Energy Target 100 GW	Solar mounting structures used for supporting solar panels
PM Krishi Sanchar Yojna	Casing pipes and galvanised pipes for boring and tubewells
Swachh Bharat Abhiyan	Hollow section used in prefab toilets



## COMPANY OVERVIEW

Rama Steel Tubes Limited (the Company) is a leading player engaged in the manufacturing and trading of Steel Tubes & Pipes and Rigid PVC (Poly Vinyl Chloride) & G.I. (Galvanised Iron) Pipes in India as well as in the world. With more than four decades of experience in the Indian steel tubes and pipes market, the Company has established its strong brand equity across the globe. The Company has state-of-the-art manufacturing facilities located in the North, South and West India, which provide strategic advantage to gain significant hold over the respective market regions. The Company's niche product comprises of ERW (electric resistance weld) Black Pipes and Galvanised Steel Pipes.

**Product Portfolio:** The Company has added wide range and variety of products in its portfolio over the years and is constantly working on evolving new products as per the market dynamics. The Company's products cater to multiple sectors of end-use, including applications in automobiles, infrastructure, real estate and furniture.

The various products of the Company are being discussed as follows:

- **Steel Tubes and Pipes:** The major products manufactured by the Company in this segment include ERW galvanised tubes and pipes, ERW Black steel tubes and pipes, scaffolding tubes and pipes, pre grooved pipes, swaged poles. Its application areas include water pipelines, agriculture and irrigation, deep tube wells & casing pipes, gas pipe lines and cross country pipelines. It also include application in fencing tubes requirements in building sign poles, bumpers, towers, rollers etc. and also used in building highway and street lighting poles along with all the standard types of traffic signal poles.

- **Telecommunication Transmission Tower & Substation Structure:** The Company started operation in this field in 1985 and has developed expertise in design & maintenance of significantly customisable High & Light Towers products like Legged Square Lattice Steel Towers, Three Legged Tubular Steel Tower etc. The Company's other application areas include Radar Towers and Railway Electrification Structure.

- **Structural Steel Products:** It include Square / Rectangular Tubes & Pipes with hollow sections and is primarily used in furniture industries, hand railings, cranes, material storage racks, pallets, staircases, cabins, bus stands, milk booths, Truck & Bus body Members Trusses, trolleys, columns and purlins etc.

- **Coils and Sheets:** The Company also manufactures and trades various cold rolled coils/sheets, galvanised plain coils/sheets, galvanised corrugated sheets, colour coated coils/sheets.

## BUSINESS STRENGTHS

- **Leadership Presence:** With the valuable experience in steel tubes and pipes industry of more than four decades, the

Company has been strongly positioned as a pioneer among the manufacturers of steel tubes and pipes.

- **Global Footprints:** The Company has a strong global presence with its products being well accepted in countries like United Kingdom, UAE, Sri Lanka, Ethiopia, Kenya, Uganda, Ghana, Kuwait, Republic of Congo, Yemen, Guyana, Germany, USA, South Africa, Zambia and Malta etc. The Company derived revenues of ₹14.34 Crores from exports during the financial year under consideration.

- **Advanced Technical Know-how:** With its huge technical and research capabilities, the Company is able to deliver superior products in tandem with the latest technological advancements. The Company's increased focus on improving its superior technology has improved its profitability over the years. The Company has installed a modern high speed tube mill based on latest technology of world leader M/s Kusakabe of Japan to serve the market better. The Company is continuously developing innovative processes to modernize production and serve its customers more effectively.

- **Strong and Reputed Client Base:** The Company has strong and diversified clientele across various sectors which include SAIL (Steel Authority of India Limited), DLF group, Reliance Industries, Reliance Petroleum Limited, NDPL(North Delhi Power Limited), NTPC (National Thermal Power Corporation Limited), Bajaj Industries, Airtel, Ashok Leyland, Gujarat Gas, Hindustan Petroleum, Tata Motors, BSNL (Bharat Sanchar Nigam Limited), GAIL (Gas Authority of India Limited), LANCO (Lanco Infratech ) etc. The Company has established long-standing relationships with its clients and strives to be the best possible supplier in the country.

- **Skilled Employees:** The Company's team is comprised of highly experienced and highly qualified engineers hired from the India's best institutions. Best and customised quality products are being developed by the Company with the help of its highly skilled workforce that has enabled the Company to stay on the top among its other competitors. As on FY18-19, The Company's total workforce comprised of about 300+ employees.





• **State of the Art Manufacturing Facilities:** The Company has established its manufacturing footprint across three regions in India – North, South and West. It has developed four sophisticated manufacturing facilities of which one is based in Khopoli Mumbai (Maharashtra), one in Anantapur (Andhra Pradesh) and two in Sahibabad (Uttar Pradesh). The Company's total consolidated installed capacity stood at 1,68,000 MTPA and has been constantly increasing its capacities to serve to its wide base of clients both in India and abroad. The Company has already set up solar plant at Khopoli which is one of India's largest solar energy projects with 750 KW capacity and also one of its kind in the ERW pipes segment. In FY18-19, capacity utilization was at 52% with 88,054.47 MTPA as against 79,175.93 MTPA in the previous year. The new facility at Anantapur in South India was started in the previous year (FY17-18) which is going to further strengthen the Company's market. It derives strategic advantage in Khopoli and Anantapur plants as it is in close proximity to ports and commercial markets.

#### STRATEGIES:

• **Expanding Manufacturing Capacity:** The Company aspires to emerge as a leading manufacturer in steel tubes and pipes industry on the back of its quality and strength. The expansion of South facility under its subsidiary, Lepakshi Tubes Pvt Ltd. has started production in FY17-18 with added capacity of 36,000 MTPA in Andhra Pradesh. For the Khopoli plant the Company is planning to ramp up its capacity to 60,000 MTPA taking its overall installed capacity to 2,28,000 MTPA.

• **Increasing Dealer Network:** The Company has network of 300+ dealers across India and is further planning to expand its dealer network in South and West India. The network expansion would lead to increased revenue generation and lead to a higher customer base.

• **Securing Future Energy Requirement:** The Company has set up a solar power plant in its Khopoli unit based in Mumbai, Maharashtra. It is also planning to set up solar power plant of 0.750 MW each at Andhra Pradesh and Uttar Pradesh in order to achieve optimisation in its power expenditures. In FY19-20, the Company has planned to increase solar power generating capacity to meet the power demand of its expansion projects.

• **Expanding Customer Base:** The Company has made broad based plans to increase its customer base by increasing its production capacity and offering value added products. The proposed expansion of capacity in Mumbai (Khopoli) will increase two new product lines to meet the robust demand in the western market. The Company has portfolio of 300+ SKUs and it plans to increase it significantly to meet its ever increasing customer demand that would further drive its revenue growth and profitability.

**Business Outlook:** The Company has constantly increased its stand as the pioneer and major player in the ERW pipe

industry. With increased focus on upgradation of technology in its manufacturing facilities, the Company endeavours on filling up the demand supply gap in the industry and maintaining its valuable market share in the industry. The capacity expansion, addition of new product lines in its diversified portfolio, cost efficiency by setting up power projects, strengthening of SKUs will help the Company increasing its future revenue, growth and profitability and to become the preferred choice for all its customers.

#### FINANCIAL PERFORMANCE:

The brownfield capacity expansion at Khopoli, Maharashtra combined with stable prices of steel during the year has resulted in higher revenue. The consolidated total revenue stood at ₹506.79 crore in FY18-19, grew by 31% as compared to ₹386.81 in FY17-18. The growth was broad based across all the product segments. In FY18-19, capacity utilization was at 52 % with 88,054.47 MTPA as against 79,175.93 MTPA in the previous year.

The Company faced increased competition during the year under review which has resulted in lesser margins. However, the effect was mitigated to some extent by lower power costs due to installation of solar power plant. The EBITDA (earnings before interest, depreciation and tax) stood at ₹21.53 Crores in FY18-19 as compared to ₹27.28 Crores in FY17-18. The PAT (profit after tax) stood at ₹8.55 Crores in FY18-19, as compared to ₹12.73 Crores in FY17-18. The PAT margin decreased to 1.69% in FY18-19 from 3.29% in FY17-18. EPS for FY18-19 was ₹ 5.09, as against ₹7.62 in FY17-18, decreased by 33.20%

At the end of March 31, 2019, the Company's net worth stood at ₹87.01 Crores registered a growth of 11% from FY17-18. The Company has incurred a Capex of ₹3.39 Crores in FY18-19. Due to significant capex activities and working capital requirement considering increasing trend size of the business, the Company's total debt increased from ₹60.24 crore in FY17-18 to ₹86.72 crore in FY18-19 resulting in a higher debt/equity ratio of 1.00 as compared to last year's ratio of 0.76. While Cash and Cash Equivalents stood at ₹6.76 Crores for FY18-19 as against ₹9.72 Crores recorded in FY17-18. The working capital stood at ₹55.29 crore with working capital cycle days of 38 days as against 48 days in the previous year.

#### CORPORATE SOCIAL RESPONSIBILITY

The Company has always put efforts in improvement of community life for society at large and also for immediate neighbourhood. It believes in economic value creation and commitment towards sustainable development of societies at large. Several projects are executed with better governance and ethical business practices. The Company has appointed a Corporate Social Responsibility Committee as per the requirement of Section 135 of the Companies Act 2013. The Committee monitors in areas such as waste management, sanitation activities, providing skill development and vocation based education, working for the upliftment of the lives of under privileged and women &



youth empowerment. It also contributes towards certain areas like Environmental sustainability, Disaster Relief and National Missions projects. The Company under its CSR policy has spent a sum of ₹20.93 Lakhs towards the CSR expenses on women empowerment and skill development till March 31, 2019.

### RISKS AND MITIGATION STRATEGIES

• **Slow Economic Growth Risk:** Economic slowdown adversely impacts on all steel end user segments like oil and gas, construction, capital goods, consumer durables, automobiles etc. The Company's revenue stream may get affected from certain unfavourable events like high inflation, macroeconomic slowdown, etc.

**Mitigation strategy:** With efficient government stimuli, India is well set for strong growth in the coming years. The Company's revenues are well-diversified because of its wide spanning product portfolio, multiple end user sectors and strong presence in international markets.

• **Supply Demand Gap Risk:** Domestic producers might get affected of overcapacity and oversupply of steel globally leading to higher imports in India at cheaper rate resulting in fall in steel prices.

**Mitigation Strategy:** With better customer understanding, customer relationship and focus on constant upgradation of facilities and use of modern techniques, the Company has firmly established itself as a leader in the industry.

• **Peer Risk:** The Company might receive high competition from its peers, as the barriers to entry in the market are low after liberalisation of steel trade.

**Mitigation Strategy:** The Company has developed value added products that helps to ensure its product antiquity and its high product quality safeguards it from global competitive risks.

• **Input Risk:** Raw material price fluctuations may have a significant effect on the costs, which might affect profit margins.

**Mitigation Strategy:** The Company has laid clear terms in dealing with its creditors and has also established long lasting relationship with dealers for long term contracts of raw material and supply of finished products respectively. It also keeps a close watch on the demand scenario and thereby adjusts its inventory levels in order to mitigate the risk related to in raw material price volatility.

• **Evolution Risk:** End users product requirements are evolving in nature and that may require up gradation or complete change in product range developed by the Company.

**Mitigation Strategy:** The Company uses modernized processes, upgraded technology for its facilities and latest equipment and processes. The Company keeps a close eye on emerging trends and braces itself to develop products for future needs.

• **Fiscal Risks:** Government policies have a great impact on steel production and trade. The steel industry has been exposed to strong regulatory scrutiny and policy changes risks. The Company's sustainability is exposed to risk if there is any non-compliance to regulatory and environmental norms or any delay in obtaining approvals.

**Mitigation Strategy:** The Company has been benefitted by the increasing government focus on clearing infrastructure bottlenecks. The Company has also gained from the government's huge push on the development of Indian economy. The Company constantly monitors on the changing regulatory scenario and makes necessary modifications as per the requirement.

• **Capex Risks:** Any misinterpretation or any unfavourable decision regarding capital investments may result in lower returns than expected.

**Mitigation Strategy:** The Company manages its projects and investments with its finance team delegation that constantly reviews, monitors and analyses various aspects related to adequacy and feasibility of capital investment.

• **Currency Risk:** The Company is exposed to currency risks as its clients are spread across all over the world, which might have favourable or adverse effect on the Company.

**Mitigation Strategy:** The Company has a well-defined Foreign Exchange (FX) risk management system under which it optimises the risk using various hedging activities. The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure.

### ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company's EHS management includes the use of end-to-end business processes and requirements that are designed to systematically achieve continuous improvement in EHS performance. EHS management includes increased integration with other software systems such as ERP to better streamline it in order to achieve overall sustainability management.

### QUALITY

The Company is committed towards best in class quality control processes and systems to manufacture absolute quality products for highest customer satisfaction. In order to achieve this, the Company focuses on vigorous efforts and adopts high end technological advancements. The Company's manufacturing facilities are highly automated and centrally controlled. Total Quality Control (TQC) is carried out through the whole process of production; configurations of operation are being stringently respected. Also the quality standards are being strictly observed and safety protocols are being diligently enforced.



### **INTERNAL CONTROL SYSTEMS**

The Internal Control structure is designed to operate as a well-managed and synchronized system comprising of regular risk assessment, mitigation and monitoring. The Company's policies and procedures are well-framed so that they include the design, implementation and maintenance of proper internal financial controls considering the size and nature of business. The internal financial controls make sure about the orderly and efficient functioning of its business conduct. The Company has an expansive system of identifying key business risks and taking mitigating measures. The Company's internal team and an independent Internal Audit Firm regularly monitor all of its business operations and any deviations are immediately brought to the notice of the Management and Audit Committee for immediate correction. The Company is equipped with latest and dynamic IT systems that safeguard sensitive data and eases out audit process. Financial transactions are recorded by strictly following Accounting Standards. The Company strictly adheres to all applicable procedures, laws, rules and statutes by implementing well documented policies and procedures. Robust MIS systems have helped the Company to devise host of profit enhancing strategies and also to control its expenditure. Any variations from budgetary allocations are immediately reported and promptly corrected to ensure strict compliance.

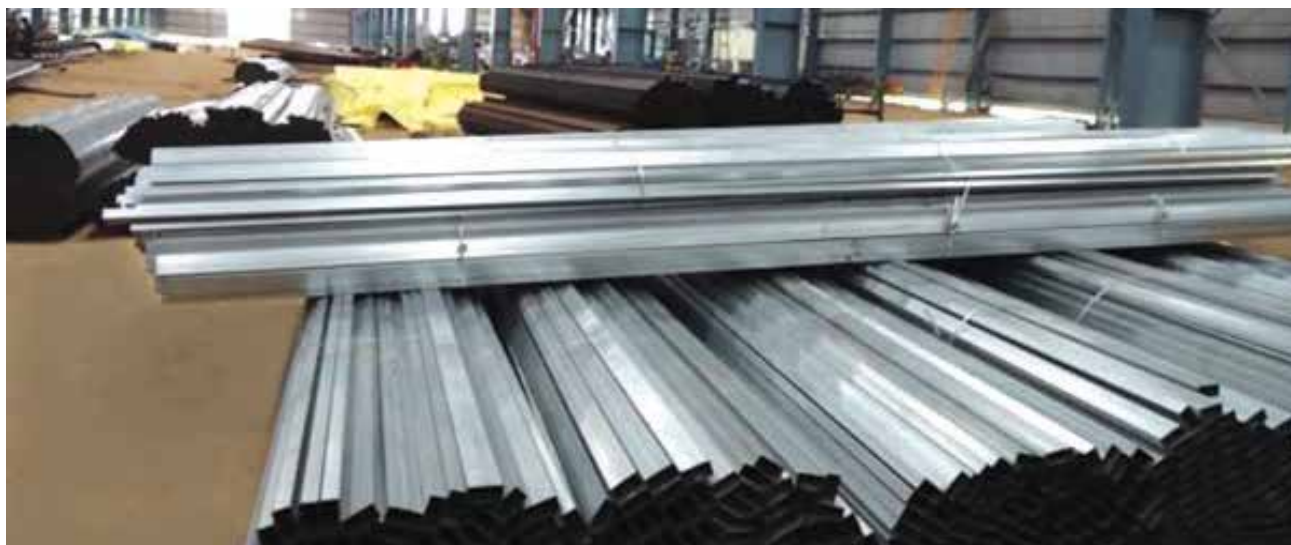
### **HUMAN RESOURCES**

The Company believes that human resource forms the most important and vital part of any business organization. The Company focusses on efficient and proactive recruitment policies, training and development, compensation and benefits, performance appraisal and other legal Compliance relating to the human resource management. Employees are infused with a sense of belongingness and empowerment that drives business growth. The Company provides firm

atmosphere for development of different skills, which enables it to recruit and retain quality professionals in all the fields. It firmly believes that key to excellent business results is an excellent talent pool. Its HR policies provide a work atmosphere that leads to employee satisfaction, unflagging motivation, and a high retention rate. The Company is devoted towards maintenance of employees' entire work life cycle to ensure timely interventions that help build future leaders. Within the Company, the potential leaders are identified and consistent talent pool is maintained by constantly improving workforce capabilities and capacities to make them ready to tackle the ever-changing technology and environment. As of March 31, 2019 the Company had a workforce of 150+ people on its rolls.

### **CAUTIONARY STATEMENT**

This Statement contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and event that could cause actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil, steel prices worldwide, technological obsolescence and domestic, economic and political conditions. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors. The Company disclaims any duty to update the information given in the aforesaid reports.





# **STATUTORY REPORTS**

## DIRECTORS' REPORT

To the Members,

The Directors submit annual report of the Rama Steel Tubes Limited (the "Company" or "RAMA") along with the audited financial statements for the financial year ended March 31, 2019.

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	40,455.87	33,981.92	50,414.61	38,218.89
Other Income	326.92	389.03	264.05	461.96
<b>Total Revenue</b>	<b>40,782.79</b>	<b>34,370.95</b>	<b>50,678.66</b>	<b>38,680.86</b>
EBIDTA	1,993.20	2,450.81	2,152.96	2,727.60
Finance Costs	764.78	602.04	937.19	650.07
Depreciation and Amortisation Expenses	218.33	213.06	276.44	232.81
<b>Net Profit Before Tax</b>	<b>1,010.09</b>	<b>1,635.71</b>	<b>939.34</b>	<b>1,844.72</b>
Tax Expenses	<b>247.55</b>	576.63	<b>102.16</b>	<b>573.18</b>
<b>Net Profit After Tax</b>	<b>762.54</b>	<b>1,059.07</b>	<b>837.18</b>	<b>1,271.54</b>
Other Comprehensive Income	<b>(0.34)</b>	0.97	<b>18.17</b>	<b>1.96</b>
<b>Total Comprehensive Income</b>	<b>762.20</b>	<b>1,060.04</b>	<b>855.35</b>	<b>1,273.50</b>
Earning per equity share (Face Value of ₹ 5 each)				
Basic	<b>4.54</b>	6.34	<b>5.09</b>	7.62
<b>Diluted</b>	<b>4.54</b>	6.34	<b>5.09</b>	7.62

### COMPANY'S PERFORMANCE

The Financial Year ("FY") 2018-19 was one of the significant years in the terms of growth and sustainability.

During the FY 2018-19, total consolidated revenue from operations was ₹50,414.61 Lakhs as compared to ₹38,218.89 Lakhs in FY 2017-18, registering an increase of 32%.

Consolidated profit before tax (PBT) in FY 2018-19 was ₹939.34 Lakhs as compared to ₹1844.72 Lakhs in FY 2017-18, reflecting a decrease of 49%.

Consolidated profit after tax (PAT) was ₹855.35 Lakhs as against ₹1273.50 Lakhs in FY 2017-18, a decrease of 33% over the previous year.

Earnings before Interest, Depreciation and Taxes (EBIDTA) stood at ₹2152.96 Lakhs in FY 2018-19, as compared to ₹2727.60 Lakhs in FY 2017-18.

Margins reduced significantly largely due to fluctuations in the raw material prices, presence in a highly competitive industry and initial stage of operations in Subsidiary company-Lepakshi Tubes Pvt.Ltd.

### DIVIDEND

The Board does not recommend any dividend for the year under review.

### ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (Ind AS). Accordingly, the standalone financial statements of the Company and the consolidated financial statements of the Company with its subsidiary for the financial year ended March 31, 2019, have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013(the "Act"), read with the relevant rules made there under and other accounting principles generally accepted in India.

### EQUITY SHARE CAPITAL

The issued, subscribed and paid-up equity share capital of the Company is ₹8,39,70,000 divided into 1,67,94,000 Equity shares of ₹5/- each.

### FULLY CONVERTIBLE WARRANTS

The Company has issued and allotted on preferential basis





15,00,000 Fully Convertible Warrants at a price of ₹122/- each to Persons belonging to Promoter Category on March 29, 2017 against which the 25% upfront money was received from them to the Company on or before 29.03.2017. Out of which 6,00,000 Fully Convertible Warrants and 1,60,000 Fully Convertible Warrants were converted into equivalent number of equity shares on 12.05.2017 and 27.05.2017 respectively on receipt of balance 75% money from the allottee(s) in respect of said warrants.

As per Regulation 75 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the convertible securities of the issuer shall be converted within eighteen months from the date of their allotment. By virtue of this, the remaining 7,40,000 Fully Convertible Warrants must be converted on or before 28.09.2018.

The allottee has not made payment of balance 75% of money in respect of 7,40,000 Fully Convertible Warrants on or before 28.09.2018, therefore by virtue of Regulation 75 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; 7,40,000 fully convertible warrants were cancelled and 25% upfront money of 7,40,000 warrants forfeited.

#### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of this Annual Report.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Pursuant to Section 129 of the Companies Act, 2013 a statement in prescribed Form AOC-1, relating to subsidiaries and joint venture for the year ended on March 31, 2019 has been attached with the consolidated financial statements of the Company for the financial year ended March 31, 2019.

The policy for determining material subsidiaries as approved may be accessed on the Company's Website: <http://www.ramasteel.com/app/webroot/img/uploads/files/93/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARY.pdf>

#### PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in the composition of the Board during the financial year 2018-19.

As per the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. Richi Bansal, Director of the Company will be retiring by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

The details pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 relating to appointment and re-appointment of directors at the AGM are provided in the Notice to the members.

#### Key Managerial Personnel:

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

- Mr. Naresh Kumar Bansal, Managing Director
- Mr. Rajkumar Malik, Chief Financial Officer (Upto 31<sup>st</sup> May 2018)
- Mr. Kapil Datta, Company Secretary
- Mr. Rajeev Kumar Aggarwal, Chief Financial Officer (w.e.f. 1<sup>st</sup> June 2018)

During the year, the Board of Directors in their meeting held on 28<sup>th</sup> May 2018 has appointed Mr. Rajeev Kumar Aggarwal as Chief Financial Officer, as KMP of the Company in place of Mr. Rajkumar Malik who has resigned from the post of Chief Financial Officer of the Company w.e.f. 31<sup>st</sup> May 2018.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- b) that the selected accounting policies were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively; and



- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2019, the Board consist of 6 members, three of whom are executive and three are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

#### **DECLARATION BY INDEPENDENT DIRECTOR(S)**

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **CORPORATE GOVERNANCE REPORT**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 92(3) of the Companies Act, 2013, an extract of annual return is given in Annexure -I in the prescribed Form MGT-9, which forms part of this report.

#### **NUMBER OF MEETINGS OF THE BOARD**

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

#### **CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 45 to the Standalone financial statement which sets out related party disclosures. The particulars of contracts and arrangements entered into by the company with related parties referred to in Section 188 in Form AOC-2 is attached herewith as **Annexure- II**.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

As per provisions of Section 139 of the Companies Act, 2013, the Company has appointed M/s Alok Mittal & Associates, Chartered Accountants (Firm Registration No. 005717N) as Statutory Auditors for a period of 5 (five) years in the AGM of the Company held on 29<sup>th</sup> September 2018.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditor at the ensuing AGM.

The Auditor's Report to the shareholders on the standalone and consolidated financial statement for the year ended March 31, 2019 does not contain any qualification, observation or adverse comment.

##### **Secretarial Auditors**

Pursuant to the provision of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors had appointed M/s Arun Kumar Gupta & Associates (CP No. 5086), Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2019. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure - III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Regulation 24(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has obtained annual secretarial compliance report from M/s Arun Kumar Gupta & Associates (CP No. 5086),



Company Secretaries, and same will be submitted to the stock exchange within the prescribed time limits. The Annual Secretarial Compliance Report does not contain any remarks or observations.

#### Cost Auditors

Pursuant to the provision of Section 148(3) of the Act, the Board of Directors had appointed M/s. S. Shekhar & Co., Cost Accountants, for conducting the audit of cost records of the Company for Steel pipe Segment for the financial year ended March 31, 2019. The audit is in progress and report will be filed with the Ministry of Corporate Affairs within the prescribed period.

The cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act as required by the Company are maintained by the Company.

#### Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

#### LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments given under Section 186 of the Companies Act, 2013 have been disclosed in the financial statements.

#### CORPORATE SOCIAL RESPONSIBILITY

We at RAMA aim to create economic value and to actively contribute toward the development of a sustainable society by taking up projects for the common good through responsible business practices and good governance. In line with the requirement of Section 135 of the Companies Act 2013 your Company having a Corporate Social Responsibility Committee. The details of Committee and the terms of reference are provided in corporate governance report. The CSR Policy of the Company is available on its website at the link: <http://ramasteel.com/cms/policy-and-code-of-conduct>.

During the year the Company has spent ₹23.86 Lakhs on CSR activities for the financial year 2018-19 as annexed herewith **Annexure- IV** to this Report.

Aforesaid CSR money paid to Konfyans Charitable Public Trust for purpose of women empowerment and social development.

#### INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including

adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

#### VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Fraud-free and corruption free work culture has been the core of the Company's functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address the risk.

To meet this objective, a Whistle Blower Policy has been laid down. The same policy is approved by the Board was uploaded on the Company's website ([www.ramasteel.com](http://www.ramasteel.com)).

#### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2018-19.

#### BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Corporate Governance requirements as prescribed by SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### PARTICULARS OF EMPLOYEES RELATED DISCLOSURES

- a. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below :
  - i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive directors	Ratio to median remuneration
Mr. Bharat Bhushan Sahny	N.A.
Mr. Rajendra Prasad Khanna	N.A.
Mrs. Anju Gupta	N.A.





Executive directors	
Mr. Naresh Kumar Bansal	32.00
Mr. Richi Bansal	27.00
Mr. Surender Kumar Sharma	3.00

- ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Bharat Bhushan Sahny	N.A.
Mr. Rajendra Prasad Khanna	N.A.
Mrs. Anju Gupta	N.A.
Mr. Naresh Kumar Bansal, Managing Director	9.89%
Mr. Richi Bansal, Executive Director	11.84%
Mr. Rajeev Kumar Agarwal, Chief Financial Officer	N.A.
Mr. Kapil Datta, Company Secretary	1.69%

- b. The percentage increase in median remuneration of employees in the financial year: NIL
- c. The number of permanent employees on the rolls of Company : 130
- d. Variations in the market capitalisation of the Company, price earning ratio as at the closing date of the current financial year and previous financial year : N.A.
- e. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: N.A.
- f. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average annual increase was 6.5%.
  - Increase in the managerial remuneration for the year was 10.41%.
- g. The Company affirms that the remuneration is as per remuneration policy of the Company.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no such employee drawing remuneration in excess

of the limits set out in the said rules and are required to be disclosed.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 enclosed as **Annexure V**.

## CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### 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)

##### i. 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.

##### ii. Future plan of action

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



### iii. Expenditure on R & D

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

## II. TECHNOLOGICAL, ABSORPTION, ADAPTATION & INNOVATION :

### i. 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.

### ii. 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	1433.65	4240.37
b)	Total Foreign Exchange Outgo	16.51	38.20

### FORM 'A'

#### POWER AND FUEL CONSUMPTION

		Current Year	Previous Year
1.	Electricity		
(a)	Purchased Unit	4296602	3866952
	Total amount (in Rs.)	2,52,21,764	2,39,78,501
	Rate/unit	5.92	6.20
(b)	Own generation		
	Through Diesel Generator Unit	129685	66789
	Unit per Litre of Diesel Oil	4.67	4.68
	Total Amount (in Rs.)	17,88,622	9,77,434
	Cost/Unit	13.79	14.63
2.	Furnace Oil Quantity(litres)	192144	160721
	Total Amount (in Rs.)	78,01,583	54,97,804
	Average Rate Rs./litre	40.60	34.21

## CONSUMPTION PER UNIT OF PRODUCTION

NAME OF PRODUCT	UNIT	ELECTRICITY (UNIT)		FURNACE OIL/GAS (LITRE/SQ. CUBIC MTR)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Black Steel Tubes/Pipes	Per Ton	59.16	73.25	--	--
Galvd. Steel Tubes/Pipes	Per Ton	63.16	77.65	10.13	26.60

## ACKNOWLEDGEMENT

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.

Place: Ghaziabad, UP  
Date: May 28, 2019

Sd/-  
(Naresh Kumar Bansal)  
Chairman & Managing Director



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2019**

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

**I. REGISTRATION & OTHER DETAILS:**

<b>1</b>	<b>CIN</b>	L27201DL1974PLC007114
<b>2</b>	<b>Registration Date</b>	26.02.1974
<b>3</b>	<b>Name of the Company</b>	Rama Steel Tubes Limited
<b>4</b>	<b>Category/ Sub-Category of the Company</b>	Public Company
<b>5</b>	<b>Address of the Registered office and contact details</b>	A-15, 3 <sup>rd</sup> Floor, Swasthya Vihar, New Delhi – 110092 Contact No. 011-49446661, 43656667, Fax No.- 011-43656699 Email - info@ramasteel.com; investors@ramasteel.com Website-www.ramasteel.com
<b>6</b>	<b>Whether listed company</b>	Yes
<b>7</b>	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Bigshare Services Private Limited 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019 Email-bssdelhi@bigshareonline.com Phone No.-011-42425004

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing and Trading of Steel Pipes	24311	99.20%

**IV. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	RST INTERNATIONAL TRADING, FZE DUBAI	--	Wholly owned Subsidiary	100	2(87)(ii)
2	LEPAKSHI TUBES PRIVATE LIMITED	U28990DL2016PTC302210	Wholly owned Subsidiary	100	2(87)(ii)

**V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held on 31-March-2018				No. of Shares held on 31-March-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	10123000	0	10123000	60.28	10143000	0	10143000	60.40	0.12
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	10123000	0	10123000	60.28	10143000	0	10143000	60.40	0.12



Category of Shareholders	No. of Shares held on 31-March-2018				No. of Shares held on 31-March-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									0.00
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub -total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	10123000	0	10123000	60.28	10143000	0	10143000	60.40	0.12
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	255000	0	255000	1.52	0	0	0	0.00	-1.52
b) Banks / FI	109941	0	109941	0.65	65	0	65	0.00	-0.65
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) Foreign Portfolio Investor	48088	0	48088	0.29	0	0	0	0.00	-0.29
<b>Sub-total (B)(1):-</b>	413029	0	413029	2.46	65	0	65	0.00	-2.46
<b>2. Non-Institutions</b>									
a) Bodies Corp.	688897	0	68897	4.10	735993	0	735993	4.38	0.28
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2477454	66001	2543455	15.15	2392398	45001	2437399	14.51	-0.64
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2552493	0	2552493	15.20	3009763	0	3009763	17.92	2.72
c) Others (specify)									
Non Resident Indians	122576	0	122576	0.73	84862	0	84862	0.50	-0.23
Clearing Member	350550	0	350550	2.09	382918	0	382918	2.28	0.19
<b>Sub-total (B)(2):-</b>	6191970	66001	6257971	37.26	6605934	45001	6650935	37.26	-2.52
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	6604999	66001	6671000	39.72	6605999	45001	6651000	39.60	-0.12



Category of Shareholders	No. of Shares held on 31-March-2018				No. of Shares held on 31-March-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Promoter and promoter group</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Public</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (C)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>16727999</b>	<b>66001</b>	<b>16794000</b>	<b>100.00</b>	<b>16748999</b>	<b>45001</b>	<b>16794000</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Naresh Kumar Bansal	6088000	36.25	0.00	6108000	36.37	0.00	0.12
2	Kumud Bansal	690000	4.11	0.00	690000	4.11	0.00	0.00
3	Richi Bansal	1443000	8.59	0.00	1443000	8.59	0.00	0.00
4	Krati Bansal	450000	2.68	0.00	450000	2.68	0.00	0.00
5	Nikhil Naresh Bansal	1341000	7.99	0.00	1341000	7.99	0.00	0.00
6	Kanika Bansal	111000	0.66	0.00	111000	0.66	0.00	0.00

**C) Change in Promoters' Shareholding**

S. No.	Name of Shareholder	Shareholding of the promoters		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Naresh Kumar Bansal</b>				
	At the beginning of the year	6088000	36.25		
	Change during the Year	20000			
	At the end of the year			6108000	36.37
<b>2</b>	<b>Kumud Bansal</b>				
	At the beginning of the year	690000	4.11		
	Change during the Year	0			
	At the end of the year			690000	4.11
<b>3</b>	<b>Richi Bansal</b>				
	At the beginning of the year	1443000	8.59		
	Change during the Year	0			
	At the end of the year			1443000	8.59
<b>4</b>	<b>Krati Bansal</b>				
	At the beginning of the year	450000	2.68		
	Change during the Year	0			



S. No.	Name of Shareholder	Shareholding of the promoters		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year			450000	2.68
5	<b>Nikhil Naresh Bansal</b>				
	At the beginning of the year	1341000	7.99		
	Change during the Year	0			
	At the end of the year			1341000	7.99
6	<b>Kanika Bansal</b>				
	At the beginning of the year	111000	0.66		
	Change during the Year	0			
	At the end of the year			111000	0.66

**D) Shareholding Pattern of top ten Shareholders (Other than Directors and Promoters):**

S. No.	Name of Shareholders (Top 10 Shareholders)	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	TARUN DHIR	954821	5.69	954821	5.69
2	MADHUKAR SHETH	465828	2.77	753670	4.49
3	PUNE E STOCK BROKING PVT LTD - COLLATERAL ACCOUNT	72838	0.43	399239	2.38
4	RITA DHAWAN	274602	1.64	297602	1.77
5	SIDDHARTH IYER	275927	1.64	0	0.00
6	PRAFULCHANDRA ANANTRAI DESAI	41900	0.25	192980	1.15
7	PRINCIPAL TRUSTEE COMPANY PVT LTD A/C PRINCIPAL MUTUAL FUND - PRINCIPAL FOCUSED MULTICAP FUND	144000	0.86	0	0.00
8	DESAI NIRAL NEERAV	7000	0.04	141572	0.84
9	BHARTI AXA LIFE INSURANCE COMPANY LTD	118000	0.70	0	0.00
10	AXIS BANK LIMITED	109941	0.65	65	0.00
11	SUMIT P DESAI (HUF)	100000	0.60	100000	0.60
12	KAMAL VISARIA	100000	0.60	100000	0.60
13	PANTOMATH STOCK BROKERS PRIVATE LIMITED	99150	0.59	14000	0.08
14	JYOTIVARDHAN JAIPURIA	71551	0.43	90623	0.54
15	INKAM FINVEST PVT LTD	26944	0.16	85300	0.51

S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>TARUN DHIR</b>				
	At the beginning of the year	954821	5.69		
	Change during the Year	0	0.00		
	At the end of the year			954821	5.69
2	<b>MADHUKAR SHETH</b>				
	At the beginning of the year	465828	2.77		
	Change during the Year				



S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	27-07-2018	25000		490828	2.92
	14-09-2018	77500		568328	3.38
	21-09-2018	-12422		555906	3.31
	26-09-2018	-2236		553670	3.30
	19-10-2018	100000		653670	3.89
	29-03-2019	100000		753670	4.49
	<b>At the end of the year</b>			753670	4.49
<b>3</b>	<b>PUNE E STOCK BROKING PVT LTD - COLLATERAL ACCOUNT</b>				
	At the beginning of the year	72838	0.43		
	Change during the Year				
	6-Apr-18	-965		71873	0.43
	13-Apr-18	1121		72994	0.43
	20-Apr-18	15973		88967	0.53
	27-Apr-18	167		89134	0.53
	4-May-18	-70565		18569	0.11
	11-May-18	20562		39131	0.23
	18-May-18	17149		56280	0.34
	25-May-18	13951		70,231	0.42
	1-Jun-18	8751		78,982	0.47
	8-Jun-18	-10776		68,206	0.41
	15-Jun-18	-57180		11,026	0.07
	22-Jun-18	19480		30,506	0.18
	29-Jun-18	3657		34,163	0.20
	6-Jul-18	-21618		12,545	0.07
	13-Jul-18	-8879		3,666	0.02
	20-Jul-18	7378		11,044	0.07
	27-Jul-18	30466		41,510	0.25
	3-Aug-18	-8621		32,889	0.20
	10-Aug-18	-20130		12,759	0.08
	17-Aug-18	-3920		8,839	0.05
	24-Aug-18	-414		8,425	0.05
	31-Aug-18	-6115		2,310	0.01
	7-Sep-18	164834		1,67,144	1.00
	14-Sep-18	-145441		21,703	0.13
	21-Sep-18	32691		54,394	0.32
	24-Sep-18	-54394		0	0.00
	26-Sep-18	38587		38,587	0.23
	28-Sep-18	-31170		7,417	0.04
	5-Oct-18	72062		79,479	0.47
	12-Oct-18	8245		87,724	0.52
	19-Oct-18	20632		1,08,356	0.65
	26-Oct-18	6271		1,14,627	0.68
	2-Nov-18	-26748		87,879	0.52
	9-Nov-18	8835		96,714	0.58
	16-Nov-18	-69948		26,766	0.16
	23-Nov-18	-20573		6,193	0.04
	30-Nov-18	341508		3,47,701	2.07



S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	7-Dec-18	12139		3,59,840	2.14
	14-Dec-18	73327		4,33,167	2.58
	21-Dec-18	-108634		3,24,533	1.93
	28-Dec-18	-37003		2,87,530	1.71
	31-Dec-18	-28193		2,59,337	1.54
	4-Jan-19	61848		3,21,185	1.91
	11-Jan-19	-54924		2,66,261	1.59
	18-Jan-19	-36717		2,29,544	1.37
	25-Jan-19	62761		2,92,305	1.74
	1-Feb-19	48897		3,41,202	2.03
	8-Feb-19	12033		3,53,235	2.10
	15-Feb-19	44040		3,97,275	2.37
	22-Feb-19	-31189		3,66,086	2.18
	1-Mar-19	-215112		1,50,974	0.90
	8-Mar-19	35546		1,86,520	1.11
	15-Mar-19	17645		2,04,165	1.22
	22-Mar-19	-57866		1,46,299	0.87
	29-Mar-19	252940		3,99,239	2.38
	At the end of the year			399239	2.38
4	<b>RITA DHAWAN</b>				
	At the beginning of the year	274602	1.64		
	Change during the Year				
	2-Nov-18	23000		297602	1.77
	At the end of the year			297602	1.77
5	<b>SIDDHARTH IYER</b>				
	At the beginning of the year	275927	1.64	0	0.00
	Change during the Year				
	8-Jun-18	-66000		2,09,927	1.25
	6-Jul-18	-200000		9,927	0.06
	20-Jul-18	-9927		0	0.00
	At the end of the year			0	0.00
6	<b>PRAFULCHANDRA ANANTRAI DESAI</b>				
	At the beginning of the year	41900	0.25		
	Change during the Year				
	10-Aug-18	-1000		40,900	0.24
	21-Sep-18	40000		80,900	0.48
	26-Oct-18	112080		1,92,980	1.15
	At the end of the year			192980	1.15
7	<b>PRINCIPAL TRUSTEE COMPANY PVT LTD A/C PRINCIPAL MUTUAL FUND - PRINCIPAL FOCUSED MULTICAP FUND</b>				
	At the beginning of the year	144000	0.86		
	Change during the Year				
	11-May-18	-6915		1,37,085	0.82
	18-May-18	-44847		92,238	0.55





S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	25-May-18	-16580		75,658	0.45
	1-Jun-18	-15900		59,758	0.36
	8-Jun-18	-6000		53,758	0.32
	22-Jun-18	-21776		31,982	0.19
	29-Jun-18	-31982		0	0.00
	At the end of the year			0	0.00
<b>8</b>	<b>DESAI NIRAL NEERAV</b>				
	<b>At the beginning of the year</b>	<b>7000</b>	<b>0.04</b>		
	Change during the Year				
	3-Aug-18	134572		141572	0.84
	At the end of the year			141572	0.84
<b>9</b>	<b>BHARTI AXA LIFE INSURANCE COMPANY LTD</b>				
	<b>At the beginning of the year</b>	<b>118000</b>	<b>0.70</b>		
	Change during the Year				
	24-Aug-18	-5000		1,13,000	0.67
	31-Aug-18	-4000		1,09,000	0.65
	9-Nov-18	-5000		1,04,000	0.62
	23-Nov-18	-10000		94,000	0.56
	30-Nov-18	-5000		89,000	0.53
	1-Feb-19	-4000		85,000	0.51
	8-Feb-19	-85000		0	0.00
	At the end of the year			0	0.00
<b>10</b>	<b>AXIS BANK LIMITED</b>				
	At the beginning of the year	109941	0.65		
	Change during the Year				
	13-Apr-18	24500		1,34,441	0.80
	27-Apr-18	-68074		66,367	0.40
	4-May-18	-24565		41,802	0.25
	11-May-18	5800		47,602	0.28
	18-May-18	-5780		41,822	0.25
	25-May-18	15250		57,072	0.34
	1-Jun-18	-25219		31,853	0.19
	8-Jun-18	-51		31,802	0.19
	15-Jun-18	77		31,879	0.19
	22-Jun-18	199		32,078	0.19
	29-Jun-18	-617		31,461	0.19
	6-Jul-18	-11396		20,065	0.12
	20-Jul-18	1245		21,310	0.13
	27-Jul-18	-1087		20,223	0.12
	3-Aug-18	-158		20,065	0.12
	17-Aug-18	-19396		669	0.00
	24-Aug-18	8709		9,378	0.06
	31-Aug-18	-8077		1,301	0.01
	7-Sep-18	4396		5,697	0.03
	14-Sep-18	-5114		583	0.00
	21-Sep-18	9546		10,129	0.06



S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	26-Sep-18	15520		25,649	0.15
	28-Sep-18	144989		1,70,638	1.02
	5-Oct-18	-169792		846	0.01
	12-Oct-18	-528		318	0.00
	19-Oct-18	-253		65	0.00
	30-Nov-18	1976		2,041	0.01
	7-Dec-18	-1836		205	0.00
	14-Dec-18	-140		65	0.00
	8-Mar-19	100		165	0.00
	22-Mar-19	-100		65	0.00
	At the end of the year			65	0.00
<b>11</b>	<b>SUMIT P DESAI (HUF)</b>				
	<b>At the beginning of the year</b>	<b>100000</b>	<b>0.60</b>		
	Change during the Year				
	8-Jun-18	-50000		50,000	0.30
	15-Jun-18	50000		1,00,000	0.60
	At the end of the year			100000	0.60
<b>12</b>	<b>KAMAL VISARIA</b>				
	<b>At the beginning of the year</b>	<b>100000</b>	<b>0.60</b>		
	Change during the Year	0	0.00		
	At the end of the year			100000	0.60
<b>13</b>	<b>PANTOMATH STOCK BROKERS PRIVATE LIMITED</b>				
	<b>At the beginning of the year</b>	<b>99150</b>	<b>0.59</b>		
	Change during the Year				
	6-Apr-18	33		99,183	0.59
	8-Jun-18	850		1,00,033	0.60
	31-Aug-18	-1		1,00,032	0.60
	29-Sep-18	-13927		86,105	0.51
	5-Oct-18	-4		86,101	0.51
	12-Oct-18	-47425		38,676	0.23
	19-Oct-18	-5461		33,215	0.20
	26-Oct-18	32		33,247	0.20
	23-Nov-18	500		33,747	0.20
	7-Dec-18	4		33,751	0.20
	14-Dec-18	-8501		25,250	0.15
	28-Dec-18	-15000		10,250	0.06
	31-Dec-18	-8571		1,679	0.01
	18-Jan-19	-1679		0	0.00
	29-Mar-19	14000		14,000	0.08
	At the end of the year			14000	0.08
<b>14</b>	<b>JYOTIVARDHAN JAIPURIA</b>				
	At the beginning of the year	71551	0.43		
	Change during the Year				
	21-Dec-18	19072		90623	0.54
	At the end of the year			90623	0.54



S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>15</b>	<b>INKAM FINVEST PVT LTD</b>				
	At the beginning of the year	26944	0.16		
	Change during the Year				
	6-Apr-18	5004		31,948	0.19
	13-Apr-18	2055		34,003	0.20
	20-Apr-18	3130		37,133	0.22
	27-Apr-18	9328		46,461	0.28
	4-May-18	-1461		45,000	0.27
	25-May-18	-25000		20,000	0.12
	29-Jun-18	5750		25,750	0.15
	3-Aug-18	25000		50,750	0.30
	14-Sep-18	-5000		45,750	0.27
	21-Sep-18	6250		52,000	0.31
	26-Sep-18	3000		55,000	0.33
	23-Nov-18	24000		79,000	0.47
	21-Dec-18	10000		89,000	0.53
	25-Jan-19	-700		88,300	0.53
	1-Feb-19	-3000		85,300	0.51
	At the end of the year			85300	0.51

E) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Naresh Kumar Bansal</b>				
	At the beginning of the year	6088000	36.25		
	Change during the Year	20000			
	At the end of the year			6108000	36.37
<b>2</b>	<b>Richi Bansal</b>				
	At the beginning of the year	1443000	8.59		
	Change during the Year	0			
	At the end of the year			1443000	8.59



V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4925.38	107.47	NIL	5032.85
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
<b>Total (i+ii+iii)</b>	<b>4925.38</b>	<b>107.47</b>	<b>NIL</b>	<b>5032.85</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	60065.18	56.67	NIL	60121.85
* Reduction	58095.13	42.96	NIL	58138.09
Net Change	1970.05	13.71	NIL	1983.76
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6895.43	121.18	NIL	7016.61
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
<b>Total (i+ii+iii)</b>	<b>6895.43</b>	<b>121.18</b>	<b>NIL</b>	<b>7016.61</b>

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of Other Executive Director		Total Amount
		Mr. Naresh Kumar Bansal, MD	Mr. Richi Bansal, Director	Mr. Surender Kumar Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	39.60	33.60	3.03	76.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.17	0.97
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>40.00</b>	<b>34.00</b>	<b>3.20</b>	<b>77.20</b>
	<b>Ceiling as per the Act</b>	The Managerial Remuneration is within the limit, as prescribed under the Companies Act, 2013.			



**B. Remuneration to other directors**

(₹ in Lakhs)

S. N.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Bharat Bhushan Sahny	Mr. Rajendra Prasad Khanna	Mrs. Anju Gupta	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	0.30	0.10	0.30	0.70
	Remuneration by way of Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	0.30	0.10	0.30	0.70
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>				0.70
	<b>Total Managerial Remuneration Total=(A+B)</b>				77.90

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.64	18.54	23.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit -others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	4.64	18.54	23.18

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to  
in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third  
proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis-

**None: During the Reporting Period, all the transactions not at arm's length basis.**

a.	Name(s) of the related party and nature of relationship	Not Applicable
b.	Nature of contracts/arrangements/transactions	Not Applicable
c.	Duration of the contracts / arrangements/transactions	Not Applicable
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
e.	Justification for entering into such contracts or arrangements or transactions	Not Applicable
f.	Date(s) of approval by the Board	Not Applicable
g.	Amount paid as advances, if any	Not Applicable
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

**None: During the Reporting Period, there was no material\* Contracts or Arrangement.**

a.	Name(s) of the related party and nature of relationship	Not Applicable
b.	Nature of contracts/arrangements/transactions	Not Applicable
c.	Duration of the contracts / arrangements/transactions	Not Applicable
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
e.	Date(s) of approval by the Board, if any	Not Applicable
f.	Amount paid as advances, if any	Not Applicable

Sd/-

**(Naresh Kumar Bansal)**  
Chairman & Managing Director

Place: Ghaziabad, UP

Date: May 28, 2019



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

To,  
The Members,  
**RAMA STEEL TUBES LIMITED**  
**A-15, 3<sup>RD</sup> FLOOR, SWASTHYA VIHAR,**  
**NEW DELHI-110092**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RAMA STEEL TUBES LIMITED** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **RAMA STEEL TUBES LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **RAMA STEEL TUBES LIMITED** for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; **(Not applicable to the Company during the Audit Period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
**(Not applicable, as the company has not issued any Debt Securities during the Audit Period)**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; **(Not applicable to the Company during the Audit Period)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- (vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:





- a) Income Tax Act, 1961;
- b) The Central Goods and Service Tax Act, 2017 and The Central Goods and Service Tax Rules, 2017 and other related applicable laws.
- c) Factories Act, 1948
- d) The Environment (Protection) Act, 1986
- e) The Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008
- f) The Water (Prevention & Control of Pollution) Act, 1974
- g) The Air (Prevention & Control of Pollution) Act, 1981 Read With The Air (Prevention & Control Of Pollution) Rules, 1982
- h) Employees Provident Fund and (Misc. Provisions) Act, 1952
- i) Payment of Wages Act, 1936
- j) Payment of Gratuity Act, 1972
- k) Payment of Bonus Act, 1965
- l) Workmen Compensation Act, 1923

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, (erstwhile Listing Agreement) entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**We further report that** during the audit period no resolution passed through Special Resolution/Postal ballot.

For **ARUN KUMAR GUPTA & ASSOCIATES**  
**COMPANY SECRETARIES**

Sd/-  
 (ARUN KUMAR GUPTA)  
 FCS: 5551  
 CP: 5086

Place : New Delhi  
 Date : 28/05/2019





***Annexure to the Secretarial Audit Report***

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:-

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal, Registered Office and Publication of name of the Company;
3. Forms, Returns, Documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board and such other authorities;
4. Service of documents by the Company on its Members, Directors, Auditors and Registrar of Companies;
5. Constitution of the Board, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee;
6. Appointment, Re-appointment, Retirement of Directors including Whole Time Directors and payment of remuneration.
7. Disclosure of Interest and Concerns in Contracts and Arrangements, Shareholdings and Directorships in other Companies and interest in other entities by Directors and Key Managerial Personnel;
8. Disclosures requirements in respect of their eligibility for appointment, declaration of their independence, compliance with the code of conduct for Directors of Rama Steel Tubes Limited;
9. Related party transactions which were in the ordinary course of business and at arm's length basis and were placed before the Audit Committee for their review/approval as and when required;
10. Formulation and adopting Nomination and Remuneration Policy;
11. Appointment and remuneration of Statutory Auditors;
12. Notice of the meetings of the Board and Committees thereof;
13. Minutes of the meeting of the Board and Committees thereof;
14. Notice convening Annual General Meeting held on September 29, 2018 and holding of the meeting on that date;
15. Minutes of General Meeting;
16. Approval of the Members, Board of Directors, Committees of Directors and Government Authorities wherever required;
17. Form of the Balance Sheet as at March 31, 2018 as prescribed under part I of schedule III of the Companies Act, 2013 and requirements as to Profit & Loss Account for the year ended on that date as per Part II of the said schedule;
18. Report of the Board of Directors for the financial year ended March 31, 2018;
19. Transfer of Equity and Preference Shares and issue and delivery of share certificates;
20. Borrowings and registration of charges;
21. Investment of Company's funds and inter-corporate loans and investments.



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
**[PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013] FOR THE FINANCIAL YEAR 2018-19**

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

**Terms of reference of the CSR Committee:**

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company. The Web link for the same is: <http://ramasteel.com/cms/policy-and-code-of-conduct>.

- Average Net Profit of the Company for the last Three Financial Year: ₹1192.97 lakhs
- Prescribed CSR Expenditure (Two percent of the Average Net Profit as in item 2): ₹23.86 lakhs
- Details of the amount spent for the financial year: ₹23.86 Lakhs
- Composition of CSR Committee**

Name of the Director	Status	Nature of Directorship
Ms. Anju Gupta	Chairman	Non-Executive Independent Director
Mr. Bharat Bhushan Sahny	Member	Non-Executive Independent Director
Mr. Naresh Kumar Bansal	Member	Managing Director
Mr. Richi Bansal	Member	Director

**Manner in which the amount spent during the financial year is detailed below:**

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Women Empowerment & Social Development	Promoting Gender Equality and Empowering Women (The project is covered under schedule VII(iii) of the Companies Act, 2013	South Extension Part II, New Delhi	21,86,000	21,86,000	42,79,000	Implementing Agency
2	Women Education	Promoting Gender Equality and Empowering Women (The project is covered under schedule VII(iii) of the Companies Act, 2013	GT Karnal Road, Industrial Area, Aajadpur, Delhi	2,00,000	2,00,000	2,00,000	Implementing Agency

- In case the Company failed to spent Two Percent of the average Net Profit of Last three financial Years or any part thereof, the company shall provide the reason for not spending the Amount in its Board Report: Please refer Directors' Report
- Responsibility Statement : The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-  
Anju Gupta  
**Chairman of CSR Committee**

Sd/-  
Naresh Kumar Bansal  
**Member of CSR Committee**

Sd/-  
Bharat Bhushan Sahny  
**Member of CSR Committee**



Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

S. No.	Employee Name	Designation	Education Qualification	Age	Experience (In years)	Date of Joining	Remuneration (in Rs.)	Last Employment
1	Mr. Naresh Kumar Bansal	Chairman and Managing Director	Law Graduate	65	38	26-02-1974	40,00,000	--
2	Mr. Richi Bansal	Director	B.Sc(H) in Management from Bradford University, U.K.	39	12	01-05-2007	34,00,000	--
3	Mr. Rajeev Kumar Agarwal	Chief Financial Officer	B.COM, FCA & FCS	33	10	01-06-2018	17,05,921	AZURE POWER INDIA PVT. LTD
4	Mr. Om Pal Vig	GM Operations	M.Sc	58	33	15-10-2015	9,14,864	BHUSHAN STEEL LIMITED
5	Mr. Sushil Sharma	Plant Head	M.com	44	21	07-06-2017	7,40,275	VIBHOR STEEL TUBES PVT. LTD.
6	Mr. Alok Aggarwal	GM Sales & Marketing	Graduate	53	28	26-12-2017	7,20,000	HI-TECH PIPES LIMITED
7	Mr. D. R. Kamra	President-Exports	Graduate	71	43	01-01-2000	7,01,090	AJANTA TUBES LIMITED
8	Mr. Nikhil Naresh Bansal	Admin. Manager	Graduate	34	12	01-08-2006	6,96,800	--
9	Mr. Vinod Pal Singh	Commercial Manager	Graduate	37	15	01-05-2017	6,76,800	SPARK ELECTRODES PVT. LTD
10	Mr. Ranjeet Singh	Sr. Manager	M.COM, MBA & PGDCA	38	20	24-04-2018	5,77,500	ACE HARDWARE PVT.LTD



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Rama Steel Tubes Limited ("RAMA"), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us, corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our corporate governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders.

Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of the regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

#### Board Leadership

As on March 31, 2019, Rama's Board consists of 6 members, 3 out of which are Independent Directors (including one woman director). At RAMA, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees. These guidelines seek to systematise the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions, possible risks and risk mitigation measures, financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

#### Role of Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

### 2. BOARD OF DIRECTORS

#### Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors.

The composition of the Board and category of Directors are as follows:

Category	Name of Directors
Executive Directors	Mr. Naresh Kumar Bansal
	-Chairman and Managing Director
	Mr. Richi Bansal
Independent Directors	Mr. Surender Kumar Sharma
	Mr. Bharat Bhushan Sahny
	Mr. Rajendra Prasad Khanna
	Mrs. Anju Gupta

Mr. Richi Bansal is the son of Mr. Naresh Kumar Bansal. None of the other directors are related to any other director on the Board.



### MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES OF BOARD

#### Number of Board meetings held with dates

Six Board meetings were held during the year, as against the minimum requirement of four meetings.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors Present
28-May-18	6	5
14-Aug-18	6	5
25-Sept-18	6	4
10-Nov-18	6	6
30-Jan-19	6	5
12-Feb-19	6	6

### ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, LAST ANNUAL GENERAL MEETING (AGM) AND NUMBER OF OTHER DIRECTORSHIPS AND CHAIRMANSHIPS / MEMBERSHIPS OF COMMITTEES OF EACH DIRECTOR IN VARIOUS COMPANIES:

Name of the Director	Attendance at the Board meetings during 2018-19	Attendance at the AGM during 2018-19	No. of Other Directorship(s) on 31-03-2019	No. of Membership(s)/ Chairmanship of Committees in other Companies as on 31-03-2019
Naresh Kumar Bansal	6	YES	4	0
Richi Bansal	6	YES	3	0
Bharat Bhushan Sahny	4	YES	2	3
Rajendra Prasad Khanna	4	YES	0	0
Surender Kumar Sharma	6	YES	1	0
Anju Gupta	5	YES	0	0

### 3. AUDIT COMMITTEE

Our audit committee ('the committee') comprised four Directors as on March 31, 2019:

Bharat Bhushan Sahny (Chairman of the Committee)	Independent Director
Rajendra Prasad Khanna	Independent Director
Anju Gupta	Independent Director
Naresh Kumar Bansal	Executive Director

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

#### Role of the Audit Committee:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly and



annual financial statements before submission to the board for approval.

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

#### Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

Our Nomination and Remuneration Committee ('the committee') comprised three directors as on March 31, 2019:

Rajendra Prasad Khanna (Chairman of the Committee)	Independent Director
Bharat Bhushan Sahny	Independent Director
Anju Gupta	Independent Director

The Committee's composition meets with requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The terms of reference of the Nomination and Remuneration Committee include the following:

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment.

#### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Our Corporate Social Responsibility Committee ('the committee') comprised four directors as on March 31, 2019:

Anju Gupta (Chairman of the Committee)	Independent Director
Bharat Bhushan Sahny	Independent Director
Naresh Kumar Bansal	Executive Director
Richi Bansal	Executive Director



The Role of CSR Committee is as under:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013 and rules thereunder.
- Recommend the amount of expenditure to be incurred on the activities as above, and
- Monitor the CSR Policy of the Company from time to time.

The Company has formulated a CSR Policy in line with Schedule VII of the Companies Act, 2013.

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The committee has the mandate to review and redress shareholder grievances. Our stakeholders' relationship committee ('the committee') comprised Four Directors as on March 31, 2019:

Rajendra Prasad Khanna (Chairman of the Committee)	Independent Director
Bharat Bhushan Sahny	Independent Director
Anju Gupta	Independent Director
Richi Bansal	Executive Director

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms

of reference of the Stakeholder Relationships Committee include the following:

- Redressal of shareholders'/investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

### Details of Shareholders' / Investors' Complaints

Mr. Kapil Datta, Company Secretary, is the Compliance Officer for resolution of Shareholders'/Investors' complaints. During the financial year ended 31<sup>st</sup> March 2019, No complaint was received from the shareholder during the year 2018-19 and as on 31<sup>st</sup> March 2019, no shareholder complaint is pending.

### Meetings of Board Committees held during the year and Directors' attendance:

Board Committees	Audit Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Meeting Held	4	2	1	1
Directors' Attendance				
Naresh Kumar Bansal	4	N.A.	N.A.	1
Richi Bansal	N.A.	2	N.A.	1
Bharat Bhushan Sahny	3	1	1	1
Rajendra Prasad Khanna	4	1	1	N.A.
Anju Gupta	3	2	1	1

## 7. OTHER COMMITTEES

### a) Finance Committee

As on February 12, 2019, the Board of Directors of the Company constituted Finance committee for delegating power of the Board of the Company in respect of matters

relating to banking/finance operations. Our Finance committee ('the committee') comprised two Directors as on March 31, 2019:

Naresh Kumar Bansal	Executive Director
Richi Bansal	Executive Director



The Finance Committee shall oversee all matters pertaining to finance and banking operations. The terms of reference of the Finance Committee include the following:

- Forecast monthly, quarterly and annual results;
- Approve or reject budgets;
- Evaluate and decide on investments;
- Allocate resources and manage cash flows;
- Consult board members about funding options; and
- Recommend cost-reducing solutions.

No meeting of the finance committee was held during the year ended March 31, 2019.

#### 8. Details of Remuneration of Executive Directors for the financial year ended 31<sup>st</sup> March 2019

(₹ in Lakhs)

Name of the Director	Salary	Bonus	Perquisites	Contribution to PF	Pension	Total
Naresh Kumar Bansal	39.60	-	0.40	-	-	40.00
Richi Bansal	33.60	-	0.40	-	-	34.00
Surender Kumar Sharma	3.03	-	-	0.97	-	3.20

#### Details of Remuneration of Non-Executive Directors for the financial year ended 31<sup>st</sup> March 2019

(₹ in Lakhs)

Name of the Director	Sitting Fees	Total
Bharat Bhushan Sahny	0.30	0.30
Rajendra Prasad Khanna	0.10	0.10
Anju Gupta	0.30	0.30

#### 9. GENERAL BODY MEETINGS

##### Annual General Meeting

Details of last three Annual General Meetings and summary of Special Resolutions passed therein as under:

Financial year ended	Date and Time	Venue	Special Resolution Passed
March 31, 2016	September 30, 2016 11.30 a.m.	Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi-110092	None
March 31, 2017	September 29, 2017 4.00 p.m.	Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi-110092	None
March 31, 2018	September 29, 2018 11.30 a.m.	Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi-110092	None

##### Extra-ordinary General Meeting

No Extra-ordinary General Meeting of the members of the RAMA was held during the year 2018-19.

##### POSTAL BALLOT

No resolution was passed through postal ballot during last 3 financial years ended on March 31, 2017, March 31, 2018 and March 31, 2019.

#### 10. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the Company are published in "Business Standard". The results are displayed on the Company's website "www.ramasteel.com". The Company's website ([www.ramasteel.com](http://www.ramasteel.com)) contains a separate dedicated section "Investor Relations". Official news releases and presentations made to the Institutional Investors, are also posted on the Company's Website.





## 11. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting		
	Date	:	September 30 , 2019
	Time	:	11:30 a.m.
	Venue	:	JP HOTEL & RESORTS 6B, Patparganj, I.P. Extension, NH-24, Behind CNG Petrol Pump, Delhi-110092
ii.	Financial Calendar	:	1 <sup>st</sup> April to 31 <sup>st</sup> March every year
iii.	Date of book closure / record date	:	As mentioned in the Notice of the 45 <sup>th</sup> AGM to be held on September 30, 2019
iv.	Dividend Payment Date	:	During the year 2018-19, dividend was not declared.
v.	Listing on stock exchanges	:	<b>National Stock Exchange of India Limited (NSE)</b> – Exchange Plaza, Bandra – Kurla Complex, Bandra(E), Mumbai – 400 051 <b>BSE Limited</b> – Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	Listing fees as applicable have been paid.	:	Annual Listing fees for the financial year 2019-20 have been duly paid to all the above Stock Exchange
vi.	Stock Code(EQUITY SHARES) ISIN	:	NSE Limited – RAMASTEEL BSE Limited – 539309 INE230R01027
vii.	Market Price Data	:	Refer Table – I
viii.	Registered office	:	A-15, 3 <sup>rd</sup> Floor, Swasthya Vihar, New Delhi – 110092
ix.	Registrar & transfer agent:		
	Name & address		Bigshare Services Private Limited 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019
	Telephone	:	011-42425004
	Email	:	bssdelhi@bigshareonline.com
x.	Share transfer system	:	99.73% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Bigshare Services Private Limited at the above mentioned addresses.  As per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the Registrar and Share Transfer Agent of the Company has sent letters to the Shareholders to record their KYC details. Shareholders are requested to update these details at the earliest.
xi.	Distribution of Shareholding	:	Refer Table – II & Table – III
xii.	Dematerialization of shares and liquidity	:	Refer Table – IV
xiii.	Outstanding GDRs/ADRs/Warrants or any other convertible instrument, conversion date and likely impact on equity	:	During the year, 7,40,000 Fully Convertible Warrants were lapsed/ cancelled due to non-receipt of balance 75% money on these warrants from the allottee(s) on or before 28.09.2018
xiv.	Commodity price risk or foreign exchange risk and hedging activities	:	Please refer to Management Discussion and Analysis Report for the same.
xv.	Plant Locations	:	<ul style="list-style-type: none"> <li>• B-21, Site No. 4, Industrial Estate, Sahibabad, Uttar Pradesh.</li> <li>• B-5, Site No. 4, Industrial Estate, Sahibabad, Uttar Pradesh.</li> <li>• 151, Village Umbare, Taluka Khalapur, Khopoli, Pali Road, Dist. Raigad, Maharashtra.</li> </ul>
xvi.	Credit Ratings		The Company has received following credit ratings from CARE:
		Long term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)
		Long term/ Short term Bank Facilities	CARE BBB; Stable/ CARE A3+ (Triple B; Outlook: Stable/ A Three Plus)



TABLE – I

**Market Price Data:** The shares of the Company are listed at NSE and BSE. Monthly High and Low at both the Stock Exchanges for the year 2018-19 is given:

(Amount in ₹)

Month	BSE			NSE		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
Apr-18	198.25	170	48432	198.45	170	233837
May-18	195	168.05	98348	198	165.3	519113
Jun-18	183.75	132	106706	182.10	131.5	1759643
Jul-18	143	97.5	137662	145.7	95.9	953871
Aug - 18	135	101.85	75657	134.1	101.05	872057
Sep - 18	126.75	87.6	198089	126	86.85	2272031
Oct - 18	101.55	80	89774	102.05	81.1	2213902
Nov - 18	105	73.6	163717	104.7	73.45	2370921
Dec - 18	99.5	71	151172	96.75	71.05	2054334
Jan - 19	111.85	91.25	118224	108.8	91	952760
Feb - 19	104.35	84	35127	103.95	82.2	1049348
Mar - 19	116	91.2	58324	115	91.1	1996187

TABLE – II

Chart A: Rama's Share Performance versus BSE Sensex:

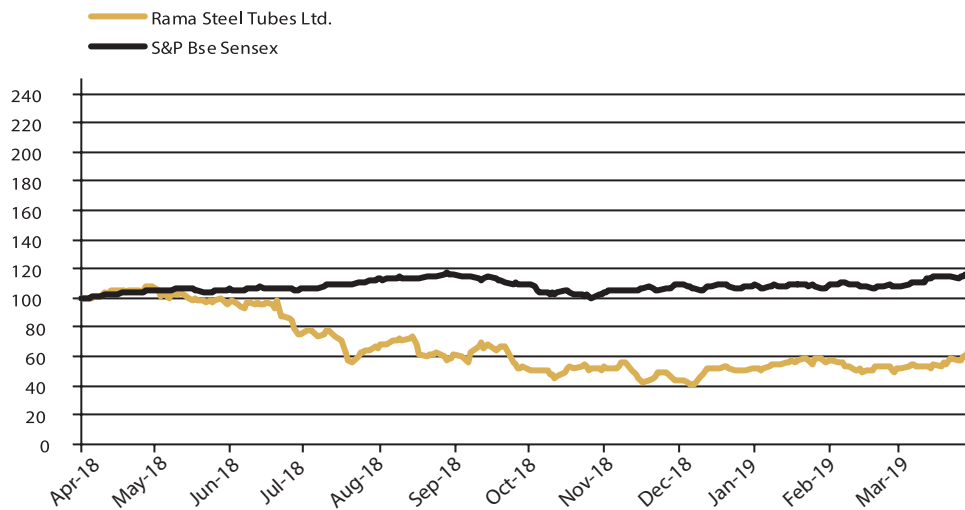
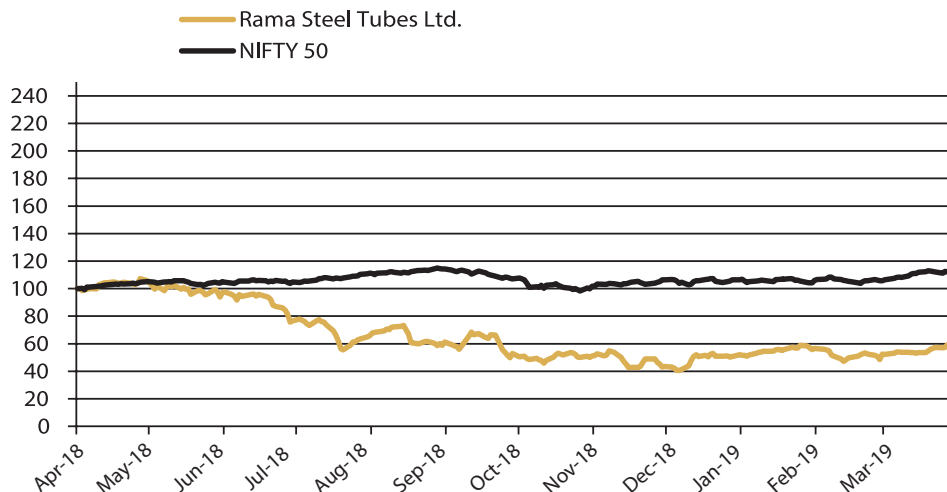


Chart B: Rama's Share Performance versus Nifty:



**Distribution of Equity Shareholding as on March 31, 2019**

Category (Shares)	Number of Shareholders	% to Total Shareholders	No. of Shares	% of Total Shares
1-500	3054	81.6578	333108	1.9835
501-1000	237	6.3369	197911	1.1785
1001-2000	134	3.5829	205400	1.2231
2001-3000	85	2.2727	224387	1.3361
3001-4000	29	0.7754	106443	0.6338
4001-5000	35	0.9358	157266	0.9364
5001-10000	77	2.0588	572657	3.4099
10001 and above	89	2.0588	14996828	89.2987
<b>G. TOTAL</b>	<b>3740</b>	<b>100.0000</b>	<b>16794000</b>	<b>100.0000</b>

**TABLE – III**

**Category of Shareholders as on 31<sup>st</sup> March 2019:**

Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B)
Promoter and Promoter Group	6	10143000	60.40
Corporate Bodies	95	735993	4.38
Non Nationalised Banks	1	65	0.00
Clearing Members	67	382918	2.28
Public	3490	5447162	32.43
Non Resident Indians	81	84862	0.51
<b>TOTAL</b>	<b>3740</b>	<b>16794000</b>	<b>100.00</b>

**TABLE – IV**

**DEMATERIALIZATION OF EQUITY SHARES AS ON 31<sup>ST</sup> MARCH 2019**

Mode of Holding	No. of Shares	Percentage (%)
NSDL	63,77,485	37.97
CDSL	1,03,71,514	61.76
Physical	45,001	0.27
<b>TOTAL</b>	<b>1,67,94,000</b>	<b>100.00</b>

**12. OTHER DISCLOSURES**

**a) Related Party transactions**

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations.

The Policy is available on the website of the Company at <http://ramasteel.com/cms/policy-and-code-of-conduct>

**b)** Disclosure of Non-Compliance: There has been no instance of non-compliance by the Company on any matter related to Capital Markets since the inception of the Company and hence no penalties have been imposed.

**c)** Vigil Mechanism/Whistle Blower Policy: The Company has adopted a whistle blower policy and has established

the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at <http://ramasteel.com/cms/policy-and-code-of-conduct>

**d)** The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regarding compliance with non-mandatory requirements, the following is the status:

**i.** Shareholders' Rights - Half-yearly declaration of financial performance of the Company are not currently sent to each of the household of shareholders but are published in terms of Regulation 47(3) of Listing regulations in newspapers and also sent to the Stock Exchange.





Besides, all Quarterly/Half-yearly/Annual financial results are published on the Company's Website.

- ii. Audit Qualification - The financial statements of the Company are unqualified.
  - iii. Separate post of Chairperson and Managing Director/Chief Executive Officer – Currently the post of Chairperson and Managing Director is held by Sh. Naresh Kumar Bansal.
  - iv. Reporting of Internal Auditor: The internal auditor of the Company, directly reports to the audit committee on functional matters.
- e) **Web link for policy for determining 'material' subsidiaries:** <http://ramasteel.com/cms/policy-and-code-of-conduct>
- f) **Web link for policy on dealing with related party transactions:** <http://ramasteel.com/cms/policy-and-code-of-conduct>

**g) Disclosure of commodity price risks and commodity hedging activities:** The Company has not entered into any commodity hedging activities.

- 13. The Company complied with all the requirement of corporate governance report said out in the schedule V of SEBI (LODR) Regulations, 2015.
- 14. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted: Disclosed in 10(d) of this report.
- 15. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report. – All requirements mentioned are complied.

## CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

Place: Ghaziabad, UP  
Date: May 28, 2019

Sd/-  
(Naresh Kumar Bansal)  
Chairman & Managing Director



## CEO / CFO CERTIFICATION

To,  
The Board of Directors  
Rama Steel Tubes Limited

We have reviewed financial statements and the cash flow statements of Rama Steel Tubes Limited for the year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief:

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) 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.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee:

- a) that there are no significant changes in internal control over financial reporting during the year;
- b) that there are no significant changes in accounting policies during the year; and
- c) that there are no instances of significant fraud of which we have become aware.

Sd/-  
**Rajeev Kumar Agarwal**  
Chief Financial Officer

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

Place: Ghaziabad, UP  
Date: May 28, 2019





## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

### **Rama Steel Tubes Limited**

We have examined the compliance of conditions of Corporate Governance by **RAMA STEEL TUBES LIMITED** for the year ended **31<sup>st</sup> March, 2019**, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Arun Kumar Gupta & Associates  
Company Secretaries**

Place: Delhi

Date: May 28, 2019

**Sd/-  
(Arun Kumar Gupta)**

FCS: 5551

CP: 5086





**STANDALONE  
FINANCIAL  
STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### RAMA STEEL TUBES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **RAMA STEEL TUBES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the facts and our professional judgement during the audit of financial statements of the current period, we have determined that there are no key audit matters to communicate in our report.

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information

comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report the fact. We have nothing to report in this regard

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless





management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors' are also responsible for overseeing the Company's financial reporting process.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably expected to outweigh the public interest benefits of such communication.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears





from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Alok Mittal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 005717N

**Alok Kumar Mittal**

Partner

Membership Number: 071205

Place : Delhi

Date : May 28,2019



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rama Steel Tubes Limited of even date)

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

We have audited the internal financial controls over financial reporting of **RAMA STEEL TUBES LIMITED**. ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are





subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Alok Mittal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 005717N

**Alok Kumar Mittal**

Partner

Membership Number: 071205

Place : Delhi

Date : May 28,2019



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rama Steel Tubes Limited of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties as disclosed in Note-3 on fixed assets to the standalone Ind AS financial statements are held in the name of the company.
- ii. According to the information available to us that physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) (b) and (c) of the order are not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of the Companies Act, 2013, and are of the opinion that , prima facie, the prescribed cost records have been made

and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Entry Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:
- viii. The Company has not defaulted in repayment of loan or borrowing to any bank. The Company has not obtained any loans from debenture holders, financial institution and government. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which Amount Re-lates	Amount In Lakhs
U.P Tax on Entry of Goods into Local Areas Ordinance, 2007	The Constitutional Validity of U.P. Entry of Goods in Local Areas ordinance 2007 has been challenged.	Before the Hon'ble Allahabad High Court	Nov-2008 to March-2011	69.90





information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi. In our opinion and according to the information and explanations given to us, the Company has not paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 1988 of the Act. The details of such related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly

paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Alok Mittal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 005717N

**Alok Kumar Mittal**

Partner

Membership Number: 071205

Place : Delhi

Date : May 28,2019



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	2,367.05	2,507.66
Capital Work in Progress		92.62	-
Investment Properties	4	378.03	370.69
Intangible Assets	5	1.80	5.72
Investment in Subsidiaries, Associates & Joint Ventures	6	1,032.93	787.84
Financial assets			
(i) Investments	7	0.61	0.61
(ii) Other financial assets	8	1,075.68	631.50
Deferred tax assets(net)	18	-	-
Other non current assets	9	75.63	66.83
<b>Total non current assets</b>		<b>5,024.35</b>	<b>4,370.84</b>
<b>Current Assets</b>			
Inventories	10	4,783.45	3,289.65
Financial Assets			
(i) Trade Receivables	11(a)	4,882.58	3,251.13
(ii) Cash and Cash Equivalents	11(b)	636.87	628.26
(iii) Bank balances other than (ii) above		-	-
(iv) Other Financial Assets	11(c)	20.38	27.67
Other current assets	12	2,232.67	1,948.13
<b>Total current assets</b>		<b>12,555.95</b>	<b>9,144.83</b>
<b>Total Assets</b>		<b>17,580.30</b>	<b>13,515.67</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	839.70	839.70
Other Equity	14	7,326.29	6,592.57
<b>Total equity</b>		<b>8,165.99</b>	<b>7,432.27</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	1,007.62	908.39
(ii) Other financial liabilities	16	75.58	52.97
Provisions	17	42.78	32.52
Deferred Tax Liabilities (Net)	18	86.97	84.77
<b>Total non-current liabilities</b>		<b>1,212.95</b>	<b>1,078.64</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	19(a)	5,849.48	3,990.33
(ii) Trade Payables	19(b)	1,875.57	368.57
(iii) Other Financial Liabilities	19(c)	159.50	134.13
Provisions	20	29.61	30.35
Other Current Liabilities	21	235.45	167.77
Current Tax Liability(net)	22	51.75	313.62
<b>Total current liabilities</b>		<b>8,201.36</b>	<b>5,004.76</b>
<b>Total equity and liabilities</b>		<b>17,580.30</b>	<b>13,515.67</b>

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**

Chartered Accountants  
Firm Reg. No. 005717N

Sd/-

**Alok Kumar Mittal**

Partner

Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-

**Naresh Kumar Bansal**

(Managing Director)

DIN: 00119213

Sd/-

**Rajeev Kumar Agarwal**

(Chief Financial Officer)

Sd/-

**Richi Bansal**

(Director)

DIN: 00119206

Sd/-

**Kapil Datta**

(Company Secretary)



## STANDALONE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	23	40,455.87	33,981.92
Other income	24	326.92	389.03
<b>Total Income</b>		<b>40,782.79</b>	<b>34,370.95</b>
<b>Expenses:</b>			
Cost of Materials consumed	25	32,737.76	28,893.15
Purchase of stock-in-trade (traded goods)	25	5,156.42	1,037.80
Changes in inventories of finished goods, work-in-progress and stock-in-Trade	26	(341.94)	(7.16)
Excise Duty		-	548.62
Employee Benefit Expense	27	500.91	417.73
Financial Costs	28	764.78	602.04
Depreciation and Amortization	29	218.33	213.06
Other Expenses	30	981.54	1,068.36
<b>Total expenses</b>		<b>40,017.80</b>	<b>32,773.61</b>
<b>Profit before share of net profits of investments in Associates and Joint Ventures</b>		<b>764.99</b>	<b>1,597.34</b>
Share of net profits of associates and joint ventures accounted for using the equity method		245.10	38.36
<b>Profit before tax</b>		<b>1,010.09</b>	<b>1,635.70</b>
<b>Tax expense:</b>	31		
(a) Current tax		217.19	541.03
(b) Deferred tax Charge		2.34	21.75
(c) Income Tax of earlier year		28.02	13.85
<b>Total Tax Expense</b>		<b>247.55</b>	<b>576.63</b>
<b>Profit/(Loss) for the Year</b>		<b>762.54</b>	<b>1,059.07</b>
Other Comprehensive Income(OCI)			
<b>Items that will not be reclassified to Profit &amp; Loss subsequently</b>			
-Remeasurement of the Defined Benefit Plans to Employees		(0.47)	1.49
-Income Tax relating to Items that will not be reclassified to Profit & Loss		0.13	(0.51)
<b>Items that will be reclassified to Profit &amp; Loss subsequently</b>			
-Exchange Difference on translation of Foreign operations		-	-
-Income Tax relating to Items that will be reclassified to Profit & Loss		-	-
<b>Total Other comprehensive Income for the Year</b>		<b>(0.34)</b>	<b>0.97</b>
<b>Total Comprehensive Income for the year</b>		<b>762.20</b>	<b>1,060.05</b>
<b>Earnings per share</b>			
Basic Earnings per share		<b>4.54</b>	<b>6.34</b>
Diluted earnings per share		<b>4.54</b>	<b>6.34</b>
See accompanying notes to the Standalone financial statements			
As per our attached report of even date			

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**

Chartered Accountants  
Firm Reg. No. 005717N

Sd/-

**Alok Kumar Mittal**

Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-

**Naresh Kumar Bansal**

(Managing Director)  
DIN: 00119213

Sd/-

**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-

**Richi Bansal**

(Director)  
DIN: 00119206

Sd/-

**Kapil Datta**  
(Company Secretary)





## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in Lakhs)	
S No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A.</b>	<b>Cash Flow from operating activities</b>		
	Net Profit before Tax	1,010.09	1,635.70
	<b>Adjustments For</b>		
	Depreciation and amortisation expense	218.33	213.06
	Finance Cost	764.78	602.04
	Remeasurement of the Defined Benefit Plans to Employees routed through OCI	(0.47)	1.49
	Foreign Exchange Fluctuation directly debited to Exchange Reserve	-	-
	Share of Profit in Joint Venture	(245.10)	(38.36)
	Interest Income on FD with banks	(123.21)	(123.85)
	Prior Period Adjustment	(28.46)	-
	Loss/(Gain) on sale of property, plant and equipment	3.19	0.69
	<b>Operating Profit before working capital changes</b>	<b>1,599.15</b>	<b>2,290.76</b>
	<b>Adjustment for Working Capital Changes</b>		
	Decrease/(Increase) in Inventories	(1,493.80)	1,854.49
	Decrease/(Increase) in Trade receivables	(1,631.45)	(235.88)
	Decrease/(Increase) in other financial and non-financial assets	(730.24)	(1,251.76)
	(Decrease) Increase in Trade Payables	1,507.00	(1,103.73)
	(Decrease) Increase in other financial, non financial liabilities and provisions	125.17	(521.62)
	<b>Cash generated from Operations</b>	<b>(624.17)</b>	<b>1,032.26</b>
	Net Direct Taxes paid	(507.09)	(419.12)
	<b>Net Cash flow from operating activities</b>	<b>(1,131.26)</b>	<b>613.14</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Sale / (Purchase) of Property, Plant and equipment (Including Capital Work in Progress)	(163.65)	(154.15)
	Addition to Investment Properties	(21.56)	(22.00)
	Addition to Intangible Assets	-	-
	Increase in Investment in Subsidiaries, Associates & Joint Ventures	(245.10)	(477.36)
	Proceeds from sale of Property, Plant and Equipments	8.26	7.50
	Proceeds from sale of Investment Properties	-	-
	Share of Profit in Joint Venture	245.10	38.36
	Interest received	123.21	123.85
	<b>Net cash flow from investing Activities</b>	<b>(53.74)</b>	<b>(483.80)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Equity Shares including Share Premium & Share Warrants	-	695.40
	Redemption of Preference Shares	-	-
	Proceeds from Borrowings (Secured)	1,958.39	(230.61)
	Interest paid	(764.78)	(602.04)
	<b>Net Cash from financing Activities</b>	<b>1,193.61</b>	<b>(137.25)</b>
	<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>8.61</b>	<b>(7.89)</b>
	Opening balance of Cash & Cash equivalents (April 1, 2018/April 1, 2017)	628.26	636.15
	Closing balance of Cash & cash equivalent	<b>636.87</b>	<b>628.26</b>
	<b>Cash and cash Equivalents comprises</b>		
	Cash in Hand	6.19	3.58
	Balance with Scheduled Banks		





S No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	-In current Accounts	18.39	21.26
	-In Fixed Deposit Accounts with original maturity of less than 3 months	612.29	603.41
	<b>Total Cash and Cash Equivalents</b>	<b>636.87</b>	<b>628.26</b>
	<b>Total</b>		

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7-Statement of Cash flows notified under Section 133 of the Companies Act,2013(The Act)[Companies(Indian Accounting Standrads ) Rules,2015, as amended.
- 2 Figures in Bracket indicate cash outflow

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**

Chartered Accountants  
Firm Reg. No. 005717N

Sd/-

**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-

**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-

**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-

**Richi Bansal**  
(Director)  
DIN: 00119206

Sd/-

**Kapil Datta**  
(Company Secretary)



**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019**

**a. Equity share capital**

(₹ in Lakhs)

Particulars	Amount
<b>As at March 31, 2017</b>	<b>801.70</b>
7,60,000 Equity shares issued during the Year	38.00
<b>As at March 31, 2018</b>	<b>839.70</b>
Equity shares issued during the Year	-
<b>As at March 31, 2019</b>	<b>839.70</b>

**b. Other equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Money recd. against Share Warrants	Total
	General Reserve#	Retained Earnings	Securities Premium Reserve^		
<b>Balance as at March 31, 2017</b>	<b>1,277.28</b>	<b>1,186.58</b>	<b>1,287.00</b>	<b>457.50</b>	<b>4,208.37</b>
Add:- Effect of change in depreciation method from WDV to SLM (Refer Note No-46)	-	666.76	-	-	666.76
Profit for the year	-	1,059.07	-	-	1,059.07
<b>Other comprehensive income for the year</b>					
-Remeasurement of the Defined Benefit Plans to Employees	-	0.97	-	-	0.97
-Exchange Difference on Foreign Currency Translation	-	-	-	-	-
Transfer from Retained Earnings to General Reserves	-	-	-	-	-
Addition / (Reduction) on Equity Shares issued	-	-	889.20	(927.20)	(38.00)
Addition on Share Warrants issued	-	-	-	695.40	695.40
<b>Balance as at March 31, 2018</b>	<b>1,277.28</b>	<b>2,913.38</b>	<b>2,176.20</b>	<b>225.70</b>	<b>6,592.57</b>
Profit for the year	-	762.54	-	-	762.54
<b>Other comprehensive income for the year</b>					
-Remeasurement of the Defined Benefit Plans to Employees	-	(0.34)	-	-	(0.34)
-Adjustment of Prior Period Expenses	-	(28.46)	-	-	(28.46)
Transfer from Retained Earnings to General Reserves	-	-	-	-	-
Foreiture of Money Recd. against Share Warrants (refer note no-47)	-	225.70	-	(225.70)	-
<b>Balance as at March 31, 2019</b>	<b>1,277.28</b>	<b>3,872.82</b>	<b>2,176.20</b>	<b>-</b>	<b>7,326.29</b>

#General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by the transfer from one component of equity to another and is not a item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

^Securities Premium Reserve is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

The above statement of changes in equity should be read in conjunction with the accompanying notes

This is the statement of changes in equity referred to in our report of even date.

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**  
Chartered Accountants  
Firm Reg. No. 005717N

Sd/-  
**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-  
**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-  
**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-  
**Richi Bansal**  
(Director)  
DIN: 00119206

Sd/-  
**Kapil Datta**  
(Company Secretary)



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 1. Corporate Information

Rama Steel Tubes Limited ("the Company") is limited Company domiciled in India and incorporated on February 26, 1974 under the provisions of the Company Act, 1956 having its registered office at A-15, Third Floor, Swasthya Vihar, New Delhi. The Company is a public company listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is engaged in the business of manufacturing of Steel Pipes and related products. The Company's manufacturing facilities are located at Sahibabad in Uttar Pradesh and Khopoli, Raigarh in Maharashtra.

### 2. Basis of preparation of financial statements & Use of estimates

#### 2.1 Basis of Preparation of financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

#### 2.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimate, judgements and assumptions affect the application of accounting sheet date is classified as capital advances under other noncurrent

assets and the cost of Property, Plant and Equipment not available for use before such date are disclosed under 'Capital work-in-progress' policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements

### 3. Significant Accounting Policies

#### 3.1 Basis of Measurement

These standalone financial statements have been prepared under the historical cost except for the following assets and liabilities which have been measured at fair value: . The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lakh and two decimals thereof, except as stated otherwise.

#### 3.2 Investment in Joint Venture

Interests in joint venture are accounted for using the equity method, after initially being recognised at cost in the standalone balance sheet. When the Group transacts with a joint venture, profits and losses from transactions with the joint venture are recognised in the balance sheet of Group only to the extent of interests in the joint venture that are not related to the Group.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment.

The Standalone Statement of Profit and Loss reflects the



Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the associate/joint venture. The aggregate of the Group's share of profit or loss of joint venture is shown on the face of the Standalone Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of Profit of joint venture' in the Consolidated Statement of Profit & Loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant and the fair value of the retained investment and proceeds from disposal is recognised in the Standalone Statement of Profit & Loss.

### 3.3 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price (net of GST credits / duty credits wherever applicable) and all direct costs attributable to bringing the asset to its working condition for intended use and includes the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Software and licences which are integral part of the PPE are capitalised along with respective PPE. An item of property, plant & equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances

paid towards the acquisition of property, plant and equipment outstanding at each balance of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

### 3.4 Depreciation and Amortisation

- i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property,Plant and Equipment are as follows:

#### Property, Plant & Equipment Useful lives in Years

Plant & equipment	: 8- 15
Building	: 5- 60
Office equipment	: 5
Vehicles	: 8-10
Furniture & fixtures	: 10
Computers	: 3- 6

The depreciation has been provided based on the useful life of assets specified in Schedule II to the Companies Act, 2013 on straight line method. The useful lives of assets as mentioned above is on their single shift basis, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation shall be calculated on the basis of 100%for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-of).
- iii Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life adjusted prospectively, if appropriate. Freehold land is not depreciated. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.

### 3.5 Impairment of non-financial assets



Property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

### 3.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS ) 7 statement of cash flows.

### 3.7 Inventories

Inventories are carried in the balance sheet as follows:

**Raw material, Stores & Spares** At lower of cost or net realisable value, cost includes cost of purchases and other cost incurred in bringing the inventories to their present location and condition.

**Work-in Progress** At lower of cost of material plus appropriate production overheads or net realisable value

**Finished Goods** At lower of cost of materials plus production overheads and excise duty (wherever applicable) or net realisable value.

**Purchased Goods in transit** Valued at cost.

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.8 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

- a) **Defined contribution plan** (I) Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss. There are no other obligations other than contribution to PF Schemes. (II) National pension scheme : Contribution to national pension scheme with the at predetermined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit
- b) **Defined benefit plan** Gratuity : The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profits in the Statement of Profit and Loss. c) **Long term employee benefits:** Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the statement of profit and loss. All actuarial gains or losses are recognised immediately in the statement of profit and loss.



- d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### 3.9 Foreign currency reinstatement and translation

#### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the Functional currency (i.e. Indian Rupees), by applying to the Foreign currency amount, the spot exchange rate between the Functional currency and the Foreign currency at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Standalone Statement of Profit and Loss.

#### Measurement of Foreign currency Items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a Foreign currency, are translated using the exchange rate at the date of the translation. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Standalone Statement of Profit and Loss.

### 3.10 Financial instruments

**Initial recognition:** The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

#### Subsequent measurement:

- i) **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and

interest on the principal amount outstanding. ii) **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- iii) **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.

- v) **Financial Liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### De-recognition

The company de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.11 Derivative financial instruments

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The recognizing of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### 3.12 Borrowing costs

- a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are



capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

- b) All other borrowing costs are recognised as expense in the period in which they are incurred.

### 3.13 Taxation

- i) Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.
- ii) Current tax provision is computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.
- iii) Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.
- iv) Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are off set, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.14 Revenue recognition and other income

- a) Revenue from the sale of goods and services are measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, rebates and incentives etc. Sales exclude Goods and Service Tax.
- b) Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue

can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of goods.

- c) Revenue from Services is recognised as per terms of the contract with customers based on stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.
- d) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is reasonable assurance that the Company will comply with the conditions attached to them.
- e) Other Income Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 3.15 Government grants / Assistance

Government grants/Assistance recognised where there is reasonable assurance that the same will be received and all eligibility criterias are met out If the grants/assistance are related to subvention of a particular expense, it is deducted from that expense in the year of recognition of government grant / Assistance.

### 3.16 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

### 3.17 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-





financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.18 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.19 Provisions

a) **Provisions** Provisions (excluding employee benefits) are recognised when the Company has a present

obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) **Contingencies** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 3.20 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- b) Its intention to complete and its ability and intention to use or sell the asset
- c) How the asset will generate future economic benefits
- d) The availability of resources to complete the asset
- e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.



#### 4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

- a) **Property, plant and equipment - Useful lives of assets**  
The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.
- b) **Warranties** The Company generally offers Warranties for its consumer products and the liability towards warranty related costs are recognized in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.

- c) **Provision and Contingencies** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture and Fixtures	Plant & Equipment	Office Equipment	Elect. Fitting & Installation	Computers -Hardware	Vehicle	Total
<b>Year ended 31 March, 2019</b>									
<b>Gross Carrying Amount</b>									
<b>Gross Carrying Cost as of April 1, 2018</b>	108.72	423.07	4.74	2,152.33	19.79	32.97	6.25	182.40	2,930.28
Additions	-	-	-	41.08	1.79	-	0.82	27.34	71.03
Diposals	-	-	-	1.70	-	-	-	60.60	62.30
<b>Closing Gross carrying amount</b>	<b>108.72</b>	<b>423.07</b>	<b>4.74</b>	<b>2,191.71</b>	<b>21.58</b>	<b>32.97</b>	<b>7.07</b>	<b>149.14</b>	<b>2,939.01</b>
<b>Accumulated Depreciation</b>									
<b>As at April 1, 2018</b>	-	41.30	1.42	312.42	7.26	9.44	3.40	47.38	422.62
Depreciation charged during the year	-	14.02	0.63	150.58	3.64	3.13	1.42	26.77	200.19
Disposals	-	-	-	-	-	-	-	50.85	50.85
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>55.32</b>	<b>2.05</b>	<b>463.00</b>	<b>10.90</b>	<b>12.57</b>	<b>4.82</b>	<b>23.30</b>	<b>571.96</b>
<b>Net carrying value as on March 31, 2019</b>	<b>108.72</b>	<b>367.75</b>	<b>2.69</b>	<b>1,728.71</b>	<b>10.68</b>	<b>20.40</b>	<b>2.25</b>	<b>125.84</b>	<b>2,367.05</b>

### NOTE 4: INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Elect. Fitting & Installation	Total
<b>Year ended 31 March, 2019</b>							
<b>Gross Carrying Amount</b>							
<b>Deemed Cost as of April 1, 2018</b>	95.06	279.88	10.94	6.05	6.96	15.05	413.94
Additions	-	15.71	5.85	-	-	-	21.56
Diposals	-	-	-	-	-	-	-
<b>Closing Gross carrying amount</b>	<b>95.06</b>	<b>295.59</b>	<b>16.79</b>	<b>6.05</b>	<b>6.96</b>	<b>15.05</b>	<b>435.50</b>
<b>Depreciation</b>							
<b>As at April 1, 2018</b>	-	29.34	2.18	1.81	5.12	4.81	43.26
Depreciation charge during the year	-	9.95	1.11	0.91	-	2.24	14.21
Disposals	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>39.29</b>	<b>3.29</b>	<b>2.72</b>	<b>5.12</b>	<b>7.05</b>	<b>57.47</b>
<b>Net carrying value as on 31-March-2019</b>	<b>95.06</b>	<b>256.30</b>	<b>13.50</b>	<b>3.33</b>	<b>1.84</b>	<b>8.00</b>	<b>378.03</b>



## NOTE 5 : INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Year ended March 31, 2019</b>		
<b>Gross Carrying Amount</b>		
<b>Deemed Cost as of April 1, 2018</b>	13.84	13.84
Additions	-	-
Diposals	-	-
<b>Closing Gross carrying amount</b>	13.84	13.84
<b>Accumulated Depreciation</b>		
Opening	8.11	8.11
Depreciation charge during the year	3.93	3.93
Disposals	-	-
<b>Closing accumulated depreciation</b>	12.04	12.04
<b>Net carrying value as on March 31, 2019</b>	<b>1.80</b>	<b>1.80</b>

## NOTE 6 : INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>a) Investment in Subsidiaries (Unquoted and valued at cost)</b>		
M/s Lepakshi Tubes Pvt. Ltd. 49,00,000 ( as at 31st March 2018 : 49,00,000) Equity Shares of ₹10/- each fully paid up	490.00	490.00
M/s RST International Trading FZE, Dubai 500 ( as at 31st March 2018 : 500) Equity Shares of AED 1000/- each fully paid up	90.20	90.20
<b>b) Investment in Joint Venture</b>		
M/s Pir Panchal Construction Pvt. Ltd. Joint Venture	452.73	207.64
	<b>1,032.93</b>	<b>787.84</b>

## Details of Joint Ventures

(₹ in Lakhs)

Name of the Joint Venture	Principal Place of Business/ Principal Activity	Ownership Interest % as of	
		As at March 31, 2019	As at March 31, 2018
M/s Pir Panchal Construction Pvt. Ltd.-JV	India / Erection of Poles	25.00	25.00

The amounts recognised in the balance sheet are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Joint Ventures	452.73	207.64

## NOTE 7 : INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investment in Equity Instruments</b>		
<b>-Others</b>		
<b>Quoted</b>		
60,500 (as at 31st March 2018: 60,500) Equity shares of ₹10/- each fully paid up of Uttam Value Steels Limited	0.60	0.60
<b>Unquoted</b>		
2 (as at 31st March 2018: 2) Equity shares of ₹10 each fully paid up of CIDCO Mumbai	0.00	0.00
<b>Total</b>	<b>0.61</b>	<b>0.61</b>



**NOTE 8 : OTHER FINANCIAL ASSETS (NON-CURRENT)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Security Deposits	74.06	70.17
Loans to Others	234.20	65.00
Bank Deposits with maturity period more than 12 months*	118.37	28.62
<b>Total</b>	<b>1,075.68</b>	<b>631.50</b>

\*Held as margin money or security against the borrowings, guarantees and other commitments.

**NOTE 9 : OTHER NON-CURRENT ASSETS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good:</b>		
Capital Advances	10.38	-
Operating Lease Prepayments	65.25	66.83
<b>Total</b>	<b>75.63</b>	<b>66.83</b>

**NOTE 10 : INVENTORIES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Raw Materials	3,565.11	2,398.12
(Including material in-transit ₹ 555.52 Lakhs (As at 31st March, 2018 : ₹ NIL/-))		
Finished Goods	626.88	828.25
Work-in-progress	548.69	-
Scrap Material	12.40	17.78
Stores, spares and consumable	30.37	45.50
<b>Total</b>	<b>4,783.45</b>	<b>3,289.65</b>

**NOTE 11(A) : TRADE RECEIVABLES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Unsecured:</b>		
Considered Good	4,882.58	3,251.13
<b>Total</b>	<b>4,882.58</b>	<b>3,251.13</b>

**NOTE 11(B) : CASH AND CASH EQUIVALENTS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Balances with banks</b>		
-Current Accounts	18.39	21.26
-In Fixed deposit accounts with original maturity of less than 3 months*	612.29	603.41
Cash in Hand	6.19	3.58
<b>Total</b>	<b>636.87</b>	<b>628.26</b>

\*Held as margin money or security against the borrowings, guarantees and other commitments.



**NOTE 11(C) : OTHER FINANCIAL ASSETS (CURRENT)**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on loans, investments and deposits	20.38	27.67
<b>Total</b>	<b>20.38</b>	<b>27.67</b>

**NOTE 12 : OTHER CURRENT ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Advances other capital advances</b>		
Advance to suppliers and others	956.30	1,084.51
Balance with Government Authorities	915.14	791.63
Prepaid Expenses	67.22	7.84
Operating Lease Prepayments	1.59	1.59
Other Receivables	292.42	62.55
<b>Total</b>	<b>2,232.67</b>	<b>1,948.13</b>

**NOTE 13 - SHARE CAPITAL:****A. Share Capital**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorized:</b>		
1,80,00,000 (as at 31st March 2018: 1,80,00,000) Equity Shares of ₹5/- each	900.00	900.00
25,00,000 (as at 31st March 2018: 25,00,000) 5% Non Cumulative Redeemable Preference shares of ₹ 10/- each	250.00	250.00
	<b>1,150.00</b>	<b>1,150.00</b>
<b>Issued, Subscribed &amp; Paid up:</b>		
1,67,94,000 (as at 31st March 2018: 1,67,94,000) Equity Shares of ₹5/- each fully paid up	839.70	839.70
<b>Total</b>	<b>839.70</b>	<b>839.70</b>

**B. Reconciliation of Number of Shares**

Equity Shares of ₹5/- Each fully paid up	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
<b>Balance as at the beginning of the year</b>	<b>16,794,000</b>	<b>839.70</b>	<b>16,034,000</b>	<b>801.70</b>
Additions during the year:	-	-	760,000	38.00
Deletion during the year :	-	-	-	-
<b>Balance as at the end of the year</b>	<b>16,794,000</b>	<b>839.70</b>	<b>16,794,000</b>	<b>839.70</b>

**C. Detail of shareholder holding more than 5% shares of the Company :**

Name of Shareholder	As at 31-March-2019		As at 31-March-2018	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Naresh Kumar Bansal	6,108,000	36.37	6,088,000	36.25
Richi Bansal	1,443,000	8.59	1,443,000	8.59
Nikhil Naresh Bansal	1,341,000	7.98	1,341,000	7.98
Arun Enterprises (a Partnership Firm)	954,821	5.69	954,821	5.69

**D. Right, preference and restrictions attached to shares Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.



**NOTE 14 : OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Securities Premium Account	2,176.20	2,176.20
Money Recd. against Share Warrants	-	225.70
General Reserve	1,277.28	1,277.28
Retained Earnings	3,872.82	2,913.39
<b>Total</b>	<b>7,326.29</b>	<b>6,592.57</b>

For movement during the year in Other Equity, refer "Statement of Changes in Equity"

**NOTE 15 : BORROWINGS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Term Loans from banks#	1,045.95	935.18
Less: Current Maturities transferred to Other financial liabilities	(159.50)	(134.13)
	<b>886.45</b>	<b>801.05</b>
<b>Unsecured Loans</b>		
Loan from Directors	51.33	42.83
Loans and Advances from Related Parties	69.84	64.51
	<b>121.17</b>	<b>107.34</b>
<b>Total</b>	<b>1,007.62</b>	<b>908.39</b>

# Secured by way of mortgage of plot No 131, Sector-44, Gurgaon, Haryana & hypothecation of fixed assets of the Company and extension of charge by way of hypothecation of current assets of the company.

-First Term loan against property (LAP) from bank outstanding amounting ₹615.53 Lakhs as at 31.03.2019 are payable in 110 monthly installments commencing from August 2014 to September 2023, carrying a floating interest rate linked with MCLR of bank (1 year MCLR : 8.55% plus 0.95 % p.a.) with periodical interest reset.

-Second topup term loan against property (LAP) from bank outstanding amounting ₹140.25 Lakhs as at 31.03.2019 are payable in 121 monthly installments commencing from May 2017 to May 2027, carrying a floating interest rate linked with MCLR of bank (1 year MCLR: 8.55% plus 1.60 % p.a.) with periodical interest reset.

-Third topup term loan against property (LAP) from bank outstanding amounting ₹243.62 Lakhs as at 31.03.2019 are payable in 120 monthly installments commencing from Nov 2018 to Oct 2028, carrying a floating interest rate linked with MCLR of bank (1 year MCLR: 8.55% plus 0.95 % p.a.) with periodical interest reset.

-First vehicle term loan from bank outstanding amounting ₹ 0.26 Lakhs as at 31.03.2019 are payable in 36 monthly installments commencing from May 2016 to April 2019 with rate of interest 9.75 % p.a. at year end.

-Second Vehicle term loan from bank amounting ₹46.29 Lakhs as at 31.03.2019 are payable in 60 monthly installments commencing from March 2017 to Feb 2022 with rate of interest 9.75% p.a. at year end. Note: Installments falling due in respect of all the above loans upto 31st March, 2019 have been grouped under "Current Maturities of long term debt". (Refer Note 19 (c).

**NOTE 16 : OTHER FINANCIAL LIABILITIES (NON CURRENT)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Security Deposits	75.58	52.97
<b>Total</b>	<b>75.58</b>	<b>52.97</b>



**NOTE 17 : PROVISIONS (NON CURRENT)**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity	38.37	29.03
Compensated Absences	4.41	3.49
<b>Total</b>	<b>42.78</b>	<b>32.52</b>

**NOTE 18 : DEFERRED TAX ASSETS/LIABILITIES(NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Assets</b>		
Provision for Gratuity and Compensated Absences	21.20	18.55
	<b>21.20</b>	<b>18.55</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	108.17	103.32
Others	-	0.01
	<b>108.17</b>	<b>103.32</b>
<b>Deferred Tax Assets(Net)</b>	-	-
<b>Deferred Tax Liabilities(Net)</b>	<b>86.97</b>	<b>84.77</b>

**NOTE 19(A) : BORROWINGS**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Loans Repayable on demand from Banks*	5,849.48	3,990.20
<b>Unsecured</b>		
Other Loans from Banks	-	0.13
<b>Total</b>	<b>5,849.48</b>	<b>3,990.33</b>

\* Working Capital Facilities from Banks are secured by way of hypothecation of Company's current assets (present and future) including interalia stock of raw materials, stores, spares, stock in process, finished goods etc. lying in the factory, shop, godowns, elsewhere and including goods in transit, book debts, bills receivable and first charge by way of collateral in respect of fixed assets of the company and further guaranteed by Sh. Naresh Kumar Bansal, Director and Sh. Richi Bansal, Director of the Company.

**NOTE 19(B) : TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to Micro, Small and medium Enterprises (Refer Note No-43)	2.70	2.09
Total outstanding dues to other than Micro, Small and medium Enterprises	1,872.87	366.48
<b>Total</b>	<b>1,875.57</b>	<b>368.57</b>

**NOTE 19(C) : OTHER FINANCIAL LIABILITIES (CURRENT)**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of term loans transferred from long term borrowings	159.50	134.13
Interest accrued but not due on Loans	-	-
<b>Total</b>	<b>159.50</b>	<b>134.13</b>





**NOTE 20 : PROVISIONS (CURRENT)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Gratuity	26.64	28.24
Compensated Absences	2.97	2.11
<b>Total</b>	<b>29.61</b>	<b>30.35</b>

**NOTE 21 : OTHER CURRENT LIABILITIES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Advance from Customers and Others	154.16	90.91
Statutory Levies	12.60	8.24
Employee Benefits Payable	40.42	50.52
Expenses Payable	28.27	18.10
<b>Total</b>	<b>235.45</b>	<b>167.77</b>

**NOTE 22 : CURRENT TAX LIABILITIES (NET)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Taxation	217.19	541.03
Less: Advance Tax	(165.44)	(227.41)
<b>Total</b>	<b>51.75</b>	<b>313.62</b>

**NOTE 23 : REVENUE FROM OPERATIONS**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of Products</b>		
<b>Finished Goods</b>		
Within India	33,155.38	28,022.80
Outside India	1,433.65	4,240.37
Traded Goods	5,346.23	1,149.46
<b>Total Gross Sales(including excise duty)</b>	<b>39,935.26</b>	<b>33,412.63</b>
<b>Other Operating Revenue</b>		
Scrap Sale (Including Excise Duty)	495.89	476.64
Job Work Income	10.18	3.39
Export Incentives	14.54	89.27
<b>Total</b>	<b>520.61</b>	<b>569.29</b>
<b>Total Revenue from Operations</b>	<b>40,455.87</b>	<b>33,981.92</b>

**NOTE 24 : OTHER INCOME**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income from financial assets measured at amortised cost	123.21	123.85
Liabilities no longer required written back	4.39	16.44
Foreign Exchange Gain(net)	19.46	89.20
Commission Income	-	-
Rental Income	175.69	114.98
Miscellaneous Income	4.17	44.55
<b>Total</b>	<b>326.92</b>	<b>389.03</b>



**NOTE 25 : COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Raw Materials</b>		
Opening Stock	2,398.12	4,299.59
Add: Purchase	38,505.65	28,029.48
Less: Closing Stock	(3,009.59)	(2,398.12)
Less: Cost of Raw Material cleared as such	(5,156.42)	(1,037.80)
<b>Total</b>	<b>32,737.76</b>	<b>28,893.15</b>

**NOTE 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock</b>		
Finished Goods	828.25	825.43
WIP	-	-
Scrap Material	17.78	13.43
Traded Goods	-	-
<b>Total (A)</b>	<b>846.03</b>	<b>838.86</b>
<b>Closing Stock</b>		
Finished Goods	626.88	828.25
WIP	548.69	-
Scrap Material	12.40	17.78
Traded Goods	-	-
<b>Total (B)</b>	<b>1,187.97</b>	<b>846.02</b>
<b>Total (A-B)</b>	<b>(341.94)</b>	<b>(7.16)</b>

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages, Bonus etc.	465.46	384.57
Contribution to Provident and Other Funds	17.23	14.88
Staff Welfare Expenses	4.84	6.19
Gratuity	11.60	9.28
Compensated Absences	1.78	2.81
<b>Total</b>	<b>500.91</b>	<b>417.73</b>

**NOTE 28 : FINANCE COST**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense	764.78	602.04
Other Expenses	-	-
<b>Total</b>	<b>764.78</b>	<b>602.04</b>

**NOTE 29 : DEPRECIATION AND AMORTISATION**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	200.19	193.24
Depreciation on investment property	14.21	15.16
Amortisation of intangible assets	3.93	4.66
<b>Total</b>	<b>218.33</b>	<b>213.06</b>



**NOTE 30 : OTHER EXPENSES**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Job Work Charges	9.96	40.63
Power & Fuel Expenses	268.36	239.79
Repair & Maintenance :-		
Building	25.26	39.81
Plant & Machinery	30.63	17.49
Rent (Including Lease Rent)	10.59	19.59
Printing & Stationery	8.72	5.55
Postage & Telephone	6.52	11.67
Vehicle Running Expenses	10.37	14.55
Fees & Taxes	35.68	37.64
Travelling Expenses:		
Directors	16.14	21.88
Others	10.35	22.03
Legal & Professional Charges	17.53	50.54
Loss on sale of PPE / Investments	3.19	0.69
Donation	0.37	-
Corporate social responsibility expenses (Refer Note 39)	23.86	13.41
Miscellaneous Expenses	5.36	13.60
Auditor's Remuneration	4.00	4.00
Insurance	5.79	7.27
Key-man Insurance	0.02	5.20
Office Expenses	2.85	5.15
Advertisement Expenses	0.75	0.28
Commission	16.61	52.99
Freight Outward	70.89	240.17
Business Promotion	25.88	22.43
Bad Debt	3.80	-
Other Selling Expenses	35.70	6.85
Stores and Spares	332.36	175.15
<b>Total</b>	<b>981.54</b>	<b>1,068.36</b>

**Note 31 : Tax Expense**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current Tax</b>		
Current Tax on profits for the year	217.19	541.03
Adjustment for current tax of prior periods	28.02	13.85
<b>Total current tax expense</b>	<b>245.21</b>	<b>554.88</b>
<b>Deferred Tax</b>		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	2.34	21.75
<b>Total deferred tax expense/(benefit)</b>	<b>2.34</b>	<b>21.75</b>
<b>Total Tax Expense</b>	<b>247.55</b>	<b>576.63</b>



## 32. FINANCIAL RISK MANAGEMENT

### Financial Risk Factors

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short terms deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks.

#### i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: currency rate risk, interest rate risk and other price risks such as equity price risk and commodity risk. Financials instruments affected by market risk includes loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2019 and March 31, 2018.

#### ii) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

#### iii) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

### Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

#### (a) Foreign exchange risk and sensitivity

The company transacts business primarily in Indian Rupee. The company is exposed to foreign exchange risk through its sales in international markets. The company has given unsecured loan to its wholly owned subsidiary company and has foreign currency receivables and is therefore, exposed to foreign exchange risk. The company evaluates foreign currency exposure time to time and follow established risk management policies by taking foreign exchange forward contracts to hedge exposure of foreign currency risk and also some of the foreign currency exposure remains naturally hedged. The Following table analyses foreign currency risk from financial instruments as of March 31, 2019 and March 31, 2018 :-

Particulars	Currency	(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
<b>Financial Assets:-</b>			
Trade Receivables	USD	36.87	86.36
Unsecured Loan Receivables	USD	147.40	38.70
<b>Financial Liabilities:-</b>			
Trade Payables	USD	-	-
<b>Net (Assets) / Liabilities</b>		<b>184.27</b>	<b>86.36</b>



**Particulars of forward contracts taken during the year are given below**

Particulars	Type	No. of Contract	US\$ Equivalent (Lakhs)	(₹ in Lakhs)
				(₹ in Lakhs)
As at 31st March, 2019	Sell	-	-	-
	Buy	16.00	21.17	1,496.53
As at 31st March, 2018	Sell	-	-	-
	Buy	26.00	66.69	4,324.50

**Summary of exchange difference accounted in Statement of Profit & Loss**

Particulars	(₹ in Lakhs)	
	For the year ended on March 31, 2019	For the year ended on March 31, 2018
Net foreign exchange (gain)/ losses shown under Other Income	19.46	89.20
<b>Total</b>	<b>19.46</b>	<b>89.20</b>

**(b) Interest rate risk and sensitivity**

The Company does not have any borrowings on which the interest risk and Sensitivity arises.

**Interest rate**

The below table demonstrates the borrowings of fixed and floating rate of interest:-

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	(₹ in Lakhs)
				Weighted average interest rate
INR	7,016.61	6,848.89	101.54	9.80%
Total as at 31 March, 2019	<b>7,016.61</b>	<b>6,848.89</b>	<b>101.54</b>	<b>9.80%</b>
INR	5,032.85	4,925.51	107.34	9.90%
Total as at 31 March, 2018	<b>5,032.85</b>	<b>4,925.51</b>	<b>107.34</b>	<b>9.90%</b>

**(c) Commodity price risk and sensitivity**

The company is exposed to the movement in price of key raw materials in domestic markets. The Company enters into contracts for procurement of material most of the transactions are short term fixed price contract.

**Credit Risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables). Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information.

**Cash and Cash Equivalents, Deposit in Banks and other Financial instruments**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations. For other financial assets the company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the company adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

**Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition,



processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lakhs)			
As at 31st March 2019	Less than 1 year	Above 1 year	Total
Non Current borrowings	-	1,007.62	1,007.62
Current borrowings	5,849.48	-	5,849.48
Trade payables	1,875.57	-	1,875.57
Other financial liabilities	159.50	75.58	235.09
<b>Total</b>	<b>7,884.56</b>	<b>1,083.20</b>	<b>8,967.76</b>

(₹ in Lakhs)			
As at 31st March 2018	Less than 1 year	Above 1 year	Total
Non Current borrowings	-	908.39	908.39
Current borrowings	3,990.33	-	3,990.33
Trade payables	368.57	-	368.57
Other financial liabilities	134.13	52.97	187.09
<b>Total</b>	<b>4,493.02</b>	<b>961.36</b>	<b>5,454.38</b>

### Capital Risk Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

Further the company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. as under :-

(₹ in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Interest-bearing loans and borrowings	6,950.43	5,454.38
Equity	8,165.99	7,432.27
Capital and net debt	15,116.42	12,886.66
<b>Gearing ratio in %</b>	<b>45.98%</b>	<b>42.33%</b>

### 33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognised in the financial statements.

(₹ in Lakhs)				
Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Trade Receivables	4,882.58	4,882.58	3,251.13	3,251.13
Cash & cash Equivalents	636.87	636.87	628.26	628.26
Bank balances other than above	-	-	-	-
Other Financial assets	1,096.05	1,096.05	659.17	659.17
<b>Total</b>	<b>6,615.50</b>	<b>6,615.50</b>	<b>4,538.55</b>	<b>4,538.55</b>



Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities designated at amortised cost</b>				
Non Current Borrowings	1,007.62	1,007.62	908.39	908.39
Current Borrowings	5,849.48	5,849.48	3,990.33	3,990.33
Trade payables	1,875.57	1,875.57	368.57	368.57
Other financial liabilities	235.09	235.09	187.09	187.09
<b>Total</b>	<b>8,967.76</b>	<b>8,967.76</b>	<b>5,454.38</b>	<b>5,454.38</b>

### Fair Value Hierarchy

The company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the assets or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

- Level 1: Quoted prices/ NAV for Identical instruments in an active market.
- Level 2: Directly or indirectly observable market inputs, other than level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### Fair Value Technique

- The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short term nature.
- The fair value of security deposit given was calculated based on cash flows discounted using the current lending rate. They are classified as a level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into level 1 to Level 2 as described below:-

#### Assets/ Liabilities measured at fair value (Accounted)

(₹ in Lakhs)

Particulars	As at 31st March, 2019		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Security deposits'	-	74.06	-

(₹ in Lakhs)

Particulars	As at 31st March, 2018		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Security deposits'	-	70.17	-



(₹ in Lakhs)

Particulars	As at 31st March, 2019		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowings-fixed rate	-	101.54	-
other financial liabilities	-	235.09	-

(₹ in Lakhs)

Particulars	As at 31st March, 2018		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowings-fixed rate	-	107.34	-
other financial liabilities	-	187.09	-

During the year ended 31st March 2019 and 31st March 2018, there were no transfers between level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/ balance under Level 3.

Following table describes the valuation techniques used and key inputs for valuation under fair value hierarchy as of March 31, 2019 and March 31, 2018 respectively:-

**(a) Assets/ Liabilities measured at Fair value**

Particulars	Fair Value hierarchy	Valuation technique	Inputs used
Security deposits	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.
<b>Particulars</b>	<b>Fair Value hierarchy</b>	<b>Valuation technique</b>	<b>Inputs used</b>
Borrowings fixed	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.
Other Financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.

**34. SEGMENT REPORTING**

The Company is in the business of manufacturing in a single segment of manufacturing of Steel and related products. Therefore, segment reported as per IND AS 108 is our operating segment.

**35. INCOME TAX EXPENSES**

(₹ in Lakhs)

S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Current Tax	217.19	541.03
2	Deferred Tax	2.34	21.75
3	Previous year taxation adjustments	28.02	13.85
4	MAT credit entitlement	-	-
	<b>Total</b>	<b>247.55</b>	<b>576.63</b>

**Effective Tax Reconciliation**

(₹ in Lakhs)

S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Net Loss/ Income before Taxes	1,010.09	1,635.70
	Enacted tax rates Computed Tax	27.820%	34.608%
	Income (Expense)	281.01	566.08
	Increase /(Reduction) in taxes on account of :-		
1	Amount Not taxable/ exempt	(63.81)	(25.05)
2	Previous year taxation adjustments	28.02	13.85
3	Deferred tax	2.34	21.75
	<b>Total</b>	<b>247.55</b>	<b>576.63</b>
	<b>Effective Tax Rate</b>	<b>25%</b>	<b>35%</b>





### 36. DEFERRED TAX

The analysis of deferred tax accounted for in the statement of Profit and Loss is as follows:-

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Book base and tax base of Fixed Assets	4.86	25.35
(Disallowance) / Allowance (net) Under Income Tax	(2.65)	(3.39)
Ind-As adjustments	0.14	(0.20)
<b>Total</b>	<b>2.34</b>	<b>21.75</b>

#### Component of tax accounted in OCI

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Tax Gain/ (Loss) on defined benefit	0.13	(0.51)
<b>Total</b>	<b>0.13</b>	<b>(0.51)</b>

### 37. RETIREMENT BENEFIT OBLIGATION

#### I. Expenses recognised for Defined Contribution plan

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Company's Contribution to provident fund	10.92	10.82
Company's Contribution to ESI	6.31	4.06
Company's Contribution to superannuation fund	-	-
<b>Total</b>	<b>17.23</b>	<b>14.88</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in Balance Sheet as of March 31, 2019 and March 31, 2018, being the respective measurement dates:-

#### II. Movement in Defined benefit obligation'

Particulars	(₹ in Lakhs)	
	Gratuity (unfunded)	Leave encashment (unfunded)
Present value of obligation-April 1, 2017'	50.20	2.79
Current Service Cost	5.58	1.05
Interest Cost	3.70	0.20
Benefits paid	(0.73)	-
Remeasurements-actuarial loss/ (gain)	(1.49)	1.56
<b>Present value of obligation-March 31, 2018'</b>	<b>57.26</b>	<b>5.60</b>
Present value of obligation-April 1, 2018	57.26	5.60
Current Service Cost	7.19	1.00
Interest Cost	4.41	0.43
Benefits paid	(4.33)	-
Remeasurements-actuarial loss/ (gain)	0.47	0.35
<b>Present value of obligation-March 31, 2019'</b>	<b>65.01</b>	<b>7.38</b>



### III. Movement in Plan Assets-Gratuity

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair Value of plan assets at beginning of year'	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Amount received on redemption of plan assets	-	-
Acquisitions/ Transfer in / Transfer out	-	-
Actuarial gain / (loss)	-	-
<b>Fair Value of plan assets at end of year</b>	-	-
Present value of obligation Net Funded status of plan	-	-
<b>Actual return on plan assets</b>	-	-

### IV. Recognised in Profit & Loss

(₹ in Lakhs)

Particulars	Gratuity	Compensated absence
Current Service Cost	5.58	1.05
Interest Cost	3.70	0.21
Expected return on plan assets	-	-
Remeasurements-actuarial loss/ (gain)	-	1.56
Past Service cost	-	-
<b>For the Year ended March 31, 2018</b>	<b>9.28</b>	<b>2.81</b>
Current Service Cost	7.19	1.00
Interest Cost	4.41	0.43
Expected return on plan assets	-	-
Remeasurements-actuarial loss/ (gain)	-	0.35
Past Service cost	-	-
<b>For the Year ended March 31, 2019</b>	<b>11.60</b>	<b>1.78</b>
Actual return on plan assets	-	-

### V. Recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Employee Benefit Expenses
Remeasurement-Actuarial loss/ (gain)	(1.49)
<b>For the Year ended March 31, 2018</b>	<b>(1.49)</b>
Remeasurement-Actuarial (loss)/ gain	0.47
<b>For the Year ended March 31, 2019</b>	<b>0.47</b>

### VI. The principal actuarial assumptions used for estimating the Company's defined benefit obligation are set out below :-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Attrition rate	3%	3%
Discount rate	7.66	7.71
Expected rate of increase in Compensation levels	6.00	6.00
Expected rate of Return on plan Assets	NA	NA
Mortality rate	100% of IALM (2006-08)	100% of IALM (2006-08)
Expected Average remaining working lives of employees (years)	21.28	20.24

The assumptions of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.



**VII. Sensitivity Analysis:-**

**For the Year ended March 31, 2019**

(₹ in Lakhs)			
Particulars	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	-2.28	-0.27
	-0.50%	2.49	0.30
Salary Growth rate	0.50%	2.52	0.30
	-0.50%	-2.32	-0.28
Withdrawal rate*	-	-	-

\* Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

**For the Year ended March 31, 2018**

(₹ in Lakhs)			
Particulars	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	-1.66	-0.21
	-0.50%	1.82	0.23
Salary Growth rate	0.50%	1.60	0.23
	-0.50%	-1.70	-0.21
Withdrawal rate	-	-	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

**VIII. History of experience adjustments is as follows:**

(₹ in Lakhs)		
Particulars	Gratuity	Compensated Absence
<b>For the Year ended March 31, 2019</b>		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-
<b>For the Year ended March 31, 2018</b>		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-

Estimate of expected benefits payments (In absolute terms i.e. undiscounted)

(₹ in Lakhs)	
Particulars	Gratuity
01 Apr 2019 to 31 Mar 2020	26.64
01 Apr 2020 to 31 Mar 2021	0.61
01 Apr 2021 to 31 Mar 2022	0.86
01 Apr 2022 to 31 Mar 2023	0.91
01 Apr 2023 to 31 Mar 2024	0.95
01 Apr 2024 to 31 Mar 2025	0.70
01 Apr 2025 Onwards	34.34



**IX. Statement of Employee benefit provision**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	65.01	57.27
Compensated absences	7.38	5.60
Other employee benefits	-	-
<b>Total</b>	<b>72.39</b>	<b>62.87</b>

**X. Current and non-current provision for Gratuity and Leave Encashment  
For the Year ended March 31, 2019**

(₹ in Lakhs)

Particulars	Gratuity	Compensated Absence
Current Provision	26.64	2.97
Non Current Provision	38.37	4.41
<b>Total Provision</b>	<b>65.01</b>	<b>7.38</b>

**For the Year ended March 31, 2018**

(₹ in Lakhs)

Particulars	Gratuity	Compensated Absence
Current Provision	28.24	2.11
Non Current Provision	29.03	3.49
<b>Total Provision</b>	<b>57.27</b>	<b>5.60</b>

**XI. Employee benefits expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salary and Wages	465.46	384.57
Costs-defined contribution plan	30.61	26.97
Welfare expenses	4.84	6.19
<b>Total</b>	<b>500.91</b>	<b>417.73</b>

(Figures in no.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Average no of people employed	130	119

**OCI presentation of defined benefit plan**

- Gratuity is in the nature of defined benefit plan, re-measurement gains / (losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

**Presentation in Statement of Profit and Loss and Balance Sheet**

Expenses for Service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short terms benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined plan, the company is required to measure the net defined benefit at the lower of the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.



### 38. OTHER DISCLOSURES

- a) Statutory Auditors Remuneration, Cost Auditors Remuneration and Secretarial Auditors Remuneration :-

(₹ in Lakhs)			
S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
I	<b>Statutory Auditors Fees</b>		
	a) Audit Fees	2.00	2.00
	b) Tax Audit Fees	2.00	2.00
	c) Certification /Others	0.09	0.27
	d) Out of Pocket Expenses	0.16	-
	<b>Total</b>	<b>4.25</b>	<b>4.27</b>
II	<b>Cost Auditors Fees</b>		
	a) Audit Fees	0.45	0.45
	<b>Total</b>	<b>0.45</b>	<b>0.45</b>
III	<b>Secretarial Auditors Fees</b>		
	a) Audit Fees	0.40	0.40
	<b>Total</b>	<b>0.40</b>	<b>0.40</b>

- b) The company has not proposed any dividend to its shareholders during the year.
- c) The Company has not given any loan or given any guarantee with respect to the parties covered under section 186 (4) of the Companies Act, 2013.
- d) Certain balances of trade receivables, loan and advances, trade payable and other liabilities are subject to confirmation and / or reconciliation.

### 39. Expenditure incurred on Corporate Social Responsibility:

Details of expenditure on Corporate Social Responsibility Activities as per section 135 of the Companies Act, 2013 and with schedule III are as below:

(₹ in Lakhs)			
S.No.	Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A	Gross amount required to be spent by the Company during the year	23.86	13.41
B	Amount spent during the year	23.86	13.41
(I)	Construction / Acquisition of Asset	NIL	NIL
(II)	On purpose other than (i) above-		
	a) Rural Development	-	-
	b) Women Education	2.00	-
	c) Women Empowerment and Skill Development	21.86	13.41

### 40. Contingent Liabilities not provided for in respect of:

(₹ in Lakhs)			
S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1)	Disputed liability of Entry tax	69.90	69.90
3)	Guarantees issued by Company's Bankers on behalf of the Company	2,083.91	2,066.57
4)	Letter of Credit Outstanding	1,940.95	934.85

41. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ NIL (Previous Year ₹ NIL).
42. Exceptional item consists of Loss (Net) of ₹ NIL (Previous year Loss (Net) of ₹ NIL on the provision of employees benefits pertaining to previous years.
43. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below:-



S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Principal Amount due outstanding	2.70	2.09
2	Interest due on (1) above and unpaid	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid'	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

#### 44. Pursuant to Ind AS-17-'Leases', the following information is disclosed:

##### (A) Operating Leases

- The company has entered into long term agreement lease agreement for land. The company does not have an option to purchase the leased land at the expiry of the lease period. The unamortized operating lease prepayments As at March 31, 2019 aggregating ₹ 66.84 Lakh (as at March 31, 2018: ₹ 68.42 Lakh) is included in other non current / current assets.
- The Company has entered into lease arrangements for lease of offices/warehouse generally for a period of 3 years with renewal option on mutual consent, and which can be terminated after lock in period by serving notice period as per the terms of the agreements.

Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
(i) Information related to leases		
Total of minimum lease payments		
-Not later 1 year	14.40	-
-Later than 1 year and not later 5 years	28.80	-
-Later than 5 years	-	-
(ii) Lease Payment recognized in the statement of profit and loss for the year	9.00	18.00

##### (B) Finance Leases

The Company has taken certain vehicles and equipment's under finance lease. There is an option to purchase the assets at the end of the lease terms. The obligation under finance leases are secured by the leased assets. There are no restrictions such as additional debt and further leasing imposed by the lease agreement.

Interest rates underlying all obligations under finance leases are fixed at 9.75% p.a.

##### Finance Lease Liabilities

Particulars	As at	Total minimum lease payments outstanding	Future finance charges	Present Value of minimum lease payments
Not later than 1 Year	March 31,2019	18.24	3.38	14.86
	March 31,2018	21.83	4.79	17.05
Later than 1 year and not later than 5 years	March 31,2019	34.46	2.77	31.69
	March 31,2018	51.53	6.15	45.38
Later than 5 years	March 31,2019	-	-	-
	March 31,2018	-	-	-



**Included in the Financial Statements as**

Particulars	As at March 31,2019	As at March 31,2018
-Current maturities of Finance lease obligations [Refer note 19 ( c)]	14.86	17.05
-Non current borrowings ( Refer note 15)	31.69	46.55

**45. RELATED PARTY TRANSACTIONS**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

**List of related parties**

**1. A-Key Management Personnel**

S.No.	Name	Designation
1	Mr. Naresh Kumar Bansal	Managing Director
2	Mr. Richi Bansal	Director & CEO
3	Mr. Surender Kumar Sharma	Director
4	Mr. Raj Kumar Malik ( till 31st May-2018)	Chief Financial Officer
5	Mr. Rajeev Kumar Agarwal (W.e.f. 1st June-2018)	Chief Financial Officer
6	Mr. Kapil Datta	Company Secretary

**B-Non-executive and Independent Directors**

S.No.	Name	Designation
1	Mr.Bharat Bhushan Sahny	Independent Director
2	Mr.Rajendra Prasad Khanna	Independent Director
3	Ms.Anju Gupta	Independent Director

**2. Entities where key management personnel and their relatives exercise significant influence**

S.No.	Entities	Principal activities
1	M/s Advance Hightech Agro Products Pvt. Ltd.	Chemicals Manufacturer
2	M/s Ravi Developers Pvt. Ltd.	Agriculture goods Producer
3	M/s Pir Panchal Construction Pvt. Ltd., Joint Venture	Erection of Electric Poles
4	M/s RST International Trading FZE	Trading of Steel Products
5	M/s Lepakshi Tubes Pvt. Ltd.	Manufacturer of Steel Pipes
6	M/s Virinder Engineering and Chemical Pvt. Ltd.	Warehouse Renting

**3. Relatives of key management personnel where transactions have taken place**

S.No.	Name of Relatives	Relationship
1	Mrs. Kumud Bansal	Spouse of Mr. Naresh Kumar Bansal
2	Mrs.Krati Bansal	Spouse of Mr. Richi Bansal
3	Mr.Nikhil Bansal	Son of Mr. Naresh Kumar Bansal
4	Mrs.Kanika Bansal	Daughter-in-law of Mr. Naresh Kumar Bansal



**4. The following transactions were carried out with the related parties in the ordinary course of business**

(₹ in Lakhs)

S.No.	Name of transaction/ relationship	Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b>	<b>Payment of Rent</b>		
	Mr. Naresh Kumar Bansal	3.00	12.00
	Mrs. Kumud Bansal	6.00	6.00
<b>II</b>	<b>Payment of Interest</b>		
	M/s Advance Hightech Agro Products Pvt. Ltd.	3.15	3.13
<b>III</b>	<b>Receipt of Interest</b>		
	M/s Lepakshi Tubes Pvt. Ltd	63.54	72.57
<b>IV</b>	<b>Purchase of finished goods</b>		
	M/s Lepakshi Tubes Pvt. Ltd	115.56	-
<b>V</b>	<b>Sales of finished goods</b>		
	M/s RST International Trading FZE, Dubai	28.92	-
	M/s Virinder Engineering and Chemicals Pvt. Ltd.	6.79	-
<b>VI</b>	<b>Unsecured Loans given</b>		
	Pir Panchal Constuction Pvt. Ltd Joint Venture	175.00	65.00
	M/s Ravi Developers Pvt. Ltd.	0.50	-
	M/s Lepakshi Tubes Pvt. Ltd	2,140.52	-
	M/s RST International Trading FZE, Dubai	147.40	-
<b>VII</b>	<b>Unsecured Loans received back</b>		
	Pir Panchal Constuction Pvt. Ltd Joint Venture	50.00	-
	M/s Lepakshi Tubes Pvt. Ltd	2,081.37	-
	M/s RST International Trading FZE, Dubai	38.70	-
<b>VIII</b>	<b>Unsecured Loans taken</b>		
	Mr. Naresh Kumar Bansal	410.00	-
	Mr. Richi Bansal	50.00	-
	Mr. Nikhil Naresh Bansal	2.85	-
<b>IX</b>	<b>Unsecured Loans repaid</b>		
	Mr. Naresh Kumar Bansal	358.67	-
	Mr. Richi Bansal	92.83	-
	Mr. Nikhil Naresh Bansal	2.85	-
<b>X</b>	<b>Payment of Compensation*</b>		
	Mr. Richi Bansal	34.00	30.40
	Mr. Nikhil Bansal	6.80	5.40
	Mrs.Krati Bansal	0.52	-
	Mrs.Kanika Bansal	0.52	-
	Mr. Surender Kumar Sharma	3.20	3.12
<b>XI</b>	<b>Director sitting Fees</b>		
	Mr. Bharat Bhushan Sahny	0.30	0.50
	Ms. Anju Gupta	0.30	0.50
	Mr. R P Khanna	0.10	-

**Compensation of Key Management Personnel of the Company**

(₹ in Lakhs)

S.No.	Name of transaction/ relationship	Year ended March 31, 2019	Year ended March 31, 2018
	<b>Payment of Compensation*</b>		
<b>I</b>	Mr. Naresh Kumar Bansal	40.00	36.40
<b>II</b>	Mr. Raj Kumar Malik # (1st April-18 till 31st May-18)	1.48	9.05
<b>III</b>	Mr. Rajeev Kumar Agarwal # (w.e.f. 1st June-18)	17.06	-
<b>IV</b>	Mr. Kapil Datta	4.64	4.73

\* A. Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident and other funds and staff welfare expenses).





- B. The liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.
- C. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

# Mr. Rajeev Kumar Agarwal has joined as a CFO w.e.f. 1st June-2018 replacing to Mr. Raj Kumar Malik with that effect.

**5. Balance at the end of the year**

Name of transaction/ relationship	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Receivable amount of unsecured loan</b>		
M/s Pir Panchal Construction Pvt. Ltd., JV	190.00	65.00
M/s Lepakshi Tubes Pvt. Ltd.	545.35	429.01
M/s RST International Trading FZE, Dubai	103.71	38.70
M/s Ravi Developers Pvt. Ltd.	0.50	-
<b>Payable amount of Loans &amp; Interest</b>		
M/s Advance Hightech Agro Products Pvt. Ltd.	55.00	53.16
Mr. Naresh Kumar Bansal	51.33	-
Mr. Richi Bansal	-	42.83
<b>Payable amount of Rent</b>		
Ms. Kumud Bansal	-	6.75

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**46. EARNING PER SHARE (EPS)**

S.No.	Particulars	(₹ in Lakhs)	
		Year ended March 31, 2019	Year ended March 31, 2018
a.	Net Profit / Loss after tax as per Profit and Loss for basic EPS	762.20	1,060.05
b.	Add: Interest Expenses on potential equity shares (net of tax)	-	-
c.	Net Profit / Loss after tax as per Profit and Loss for diluted EPS	762.20	1,060.05
d.	No of Equity Share Outstanding at the end of the year	16,794,000	16,794,000
e.	Weighted Average No. of Equity Shares for basic EPS	16,794,000	16,708,630
f.	Weighted Average No. of Potential Equity Shares	-	-
g.	Weighted Average No. of Equity Shares for diluted EPS	16,794,000	16,708,630
h.	Basic EPS per Share (in ₹)	4.54	6.34
i.	Diluted EPS per Share (in ₹)	4.54	6.34
j.	Face Value Per share (in ₹)	5.00	5.00

The Company does not have any potential equity shares and thus, weighted average number of equity shares for the computation of Basis EPS and Diluted EPS remains same.

**47.** The Company has issued and allotted on preferential basis 15,00,000 Fully Convertible Warrants at a price of ₹122/- each to Persons belonging to Promoter Category on March 29, 2017 against which the 25% upfront money was received from them to the Company on or before 29.03.2017. Out of which 6,00,000 Fully Convertible Warrants and 1,60,000 Fully Convertible Warrants were converted into equivalent number of equity shares on 12.05.2017 and 27.05.2017 respectively on receipt of balance 75% money from the allottee(s) in respect of said warrants.

As per Regulation 75 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the convertible securities of the issuer shall be converted within eighteen months from the date of their allotment. By virtue of this, the remaining 7,40,000 Fully Convertible Warrants must be converted on or before 28.09.2018.

The allottee has not made payment of balance 75% of money in respect of 7,40,000 Fully Convertible Warrants on or before 28.09.2018, therefore by virtue of Regulation 75 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)





Regulations, 2009; 7,40,000 fully convertible warrants be and are cancelled and 25% upfront money of 7,40,000 warrants forfeited.

Therefore a sum of ₹ 225.70 Lakhs earlier received and disclosed as money received against share warrants under Other Equity has been forfeited and shown as retained earning under Other Equity.

**48.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

**49.** Notes 1 to 47 are annexed to and form an integral part of financial statements.

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**

Chartered Accountants  
Firm Reg. No. 005717N

Sd/-

**Alok Kumar Mittal**

Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-

**Naresh Kumar Bansal**

(Managing Director)  
DIN: 00119213

Sd/-

**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-

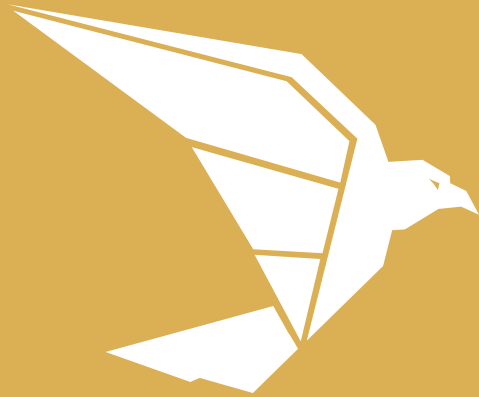
**Richi Bansal**

(Director)  
DIN: 00119206

Sd/-

**Kapil Datta**  
(Company Secretary)





**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### RAMA STEEL TUBES LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **RAMA STEEL TUBES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, and consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the facts and our professional judgement during the audit of consolidated financial statements of the current period, we have determined that there are no key audit matters to communicate in our report.

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the

preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report the fact. We have nothing to report in this regard

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management



is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors' are also responsible for overseeing the Company's financial reporting process.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably expected to outweigh the public interest benefits of such communication.

#### **OTHER MATTERS**

We did not audit the financial statements of foreign subsidiary company **M/S RST INTERNATIONAL TRADING FZE** whose financial statements reflect total assets of ₹891.36 Lakhs as at March 31, 2019, total revenues of ₹4626.33 Lakhs, Total Net Profit after Taxes including other comprehensive income of ₹ 185.51 Lakhs for the year then ended, as considered in the consolidated



financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on solely on the reports of the other auditor.

We did not audit the financial statements of domestic subsidiary company **M/S LEPAKSHI TUBES PRIVATE LIMITED** whose financial statements reflect total assets of ₹2891.58 Lakhs as at March 31, 2019, total revenues of ₹5189.33 Lakhs, Total Net Profit after Taxes including other comprehensive income of ₹ (-) 110.76 Lakhs for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on solely on the reports of the other auditor.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Alok Mittal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 005717N

**Alok Kumar Mittal**

Partner

Membership Number: 071205

Place : Delhi

Date : May 28, 2019



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rama Steel Tubes Limited of even date)

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

We have audited the internal financial controls over consolidated financial reporting of **RAMA STEEL TUBES LIMITED**. ("the Company") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal





financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Alok Mittal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 005717N

**Alok Kumar Mittal**

Partner

Membership Number: 071205

Place : Delhi

Date : May 28,2019





**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rama Steel Tubes Limited of even date)**

- i. In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - The title deeds of immovable properties as disclosed in Note-3 on fixed assets to the standalone Ind AS financial statements are held in the name of the company.
- ii. According to the information available to us that physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) (b) and (c) of the order are not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of the Companies Act, 2013, and are of the opinion that , prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Entry Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount In Lakhs
U.P Tax on Entry of Goods into Local Areas Ordinance, 2007	The Constitutional Validity of U.P. Entry of Goods in Local Areas ordinance 2007 has been challenged.	Before the Hon'ble Allahabad High Court	Nov-2008 to March-2011	69.90

- viii. The Company has not defaulted in repayment of loan or borrowing to any bank. The Company has not obtained any loans from debenture holders, financial institution and government. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.





- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 1988 of the Act. The details of such related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Alok Mittal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 005717N

**Alok Kumar Mittal**

Partner

Membership Number: 071205

Place : Delhi

Date : May 28,2019



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	3,751.32	3,795.82
Capital Work in Progress		92.62	-
Investment Properties	4	378.03	370.69
Intangible Assets	5	1.80	5.72
Investment in Subsidiaries, Associates & Joint Ventures	6	452.73	207.64
Financial assets			
(i) Investments	7	0.61	0.61
(ii) Other financial assets	8	440.65	176.85
Deferred tax assets(net)	18	61.89	-
Other non current assets	9	75.63	66.83
<b>Total non current assets</b>		<b>5,255.28</b>	<b>4,624.16</b>
<b>Current Assets</b>			
Inventories	10	5,135.18	3,429.90
Financial Assets			
(i) Trade Receivables	11(a)	6,445.95	3,814.33
(ii) Cash and Bank Balances	11(b)	676.11	972.02
(iii) Bank balances other than (ii) above		-	-
(iv) Other Financial Assets	11(c)	20.38	27.67
Other current assets	12	2,514.11	2,416.01
<b>Total current assets</b>		<b>14,791.73</b>	<b>10,659.92</b>
<b>Total Assets</b>		<b>20,047.01</b>	<b>15,284.08</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	839.70	839.70
Other Equity	14	7,861.24	7,034.35
<b>Total equity</b>		<b>8,700.94</b>	<b>7,874.05</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	15	2,067.68	1,645.91
Other financial liabilities	16	75.58	52.97
Provisions	17	43.73	33.08
Deferred Tax Liabilities (Net)	18	-	81.27
<b>Total non-current liabilities</b>		<b>2,186.99</b>	<b>1,813.23</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	19 (a)	6,605.19	4,378.47
Trade Payable	19 (b)	1,881.93	429.32
Other Financial Liabilities	19 (c)	324.90	252.78
Provisions	20	29.75	30.47
Other Current Liabilities	21	265.56	192.14
Current Tax Liability(net)	22	51.75	313.62
<b>Total current liabilities</b>		<b>9,159.08</b>	<b>5,596.80</b>
<b>Total equity and liabilities</b>		<b>20,047.01</b>	<b>15,284.08</b>

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**

Chartered Accountants  
Firm Reg. No. 005717N

Sd/-

**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-

**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-

**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-

**Richi Bansal**  
(Director)  
DIN: 00119206

Sd/-

**Kapil Datta**  
(Company Secretary)



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	23	50,414.61	38,218.89
Other income	24	264.05	461.96
<b>Total Income</b>		<b>50,678.66</b>	<b>38,680.86</b>
<b>Expenses:</b>			
Cost of Materials consumed	25	37,395.01	29,689.05
Purchase of stock-in-trade (traded goods)	25	9,900.72	4,256.03
Changes in inventories of finished goods, work-in-progress and stock-in-Trade	26	(278.62)	(104.28)
Excise Duty		-	548.62
Employee Benefit Expense	27	590.62	465.10
Financial Costs	28	937.19	650.07
Depreciation and Amortization	29	276.44	232.81
Other Expenses	30	1,163.06	1,137.10
<b>Total expenses</b>		<b>49,984.42</b>	<b>36,874.50</b>
<b>Profit before share of net profits of investments in Associates and Joint Ventures</b>		694.24	1,806.36
Share of net profits of associates and joint ventures accounted for using the equity method		245.10	38.36
<b>Profit before tax</b>		<b>939.34</b>	<b>1,844.72</b>
<b>Tax expense:</b>	31		
(a) Current tax		217.19	541.03
(b) Deferred tax Charge		(143.05)	18.29
(c) Income Tax of earlier year		28.02	13.85
<b>Total Tax Expense</b>		<b>102.16</b>	<b>573.17</b>
<b>Profit/(Loss) for the period</b>		<b>837.18</b>	<b>1,271.55</b>
Other Comprehensive Income(OCI)			
<b>Items that will not be reclassified to Profit &amp; Loss subsequently</b>			
-Remeasurement of the Defined Benefit Plans to Employees		(0.38)	1.36
-Income Tax relating to Items that will not be reclassified to Profit & Loss		0.11	(0.48)
<b>Items that will be reclassified to Profit &amp; Loss subsequently</b>			
-Exchange Difference on translation of Foreign Currency		18.44	1.08
-Income Tax relating to Items that will not be reclassified to Profit & Loss		-	-
<b>Total Other comprehensive Income for the Year</b>		<b>18.17</b>	<b>1.96</b>
<b>Total Comprehensive Income for the year</b>		<b>855.35</b>	<b>1,273.51</b>
<b>Earnings per share</b>			
Basic Earnings per share		<b>5.09</b>	<b>7.62</b>
Diluted earnings per share		<b>5.09</b>	<b>7.62</b>

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**  
Chartered Accountants  
Firm Reg. No. 005717N

Sd/-  
**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-  
**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-  
**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-  
**Richi Bansal**  
(Director)  
DIN: 00119206

Sd/-  
**Kapil Datta**  
(Company Secretary)



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

S No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A.</b>	<b>Cash Flow from operating activities</b>		
	Net Profit before Tax	939.34	1,844.72
	<b>Adjustments For</b>		
	Depreciation and amortisation expense	276.44	232.81
	Finance Cost	937.19	650.07
	Remeasurement of the Defined Benefit Plans to Employees routed through OCI	(0.38)	1.36
	Foreign Exchange Fluctuation directly debited to Exchange Reserve	18.44	1.08
	Share of Profit in Joint Venture	(245.10)	(38.36)
	Interest Income on FD with banks	(61.06)	(123.85)
	Prior Period Adjustment	(28.46)	-
	Loss/(Gain) on sale of property, plant and equipment	3.19	0.69
	<b>Operating Profit before working capital changes</b>	<b>1,839.60</b>	<b>2,568.52</b>
	<b>Adjustment for Working Capital Changes</b>		
	Decrease/(Increase) in Inventories	(1,705.29)	1,714.24
	Decrease/(Increase) in Trade receivables	(2,631.62)	(535.99)
	Decrease/(Increase) in other financial and non-financial assets	(363.42)	(1,293.23)
	(Decrease )Increase in Trade Payables	1,452.61	(1,071.37)
	(Decrease )Increase in other financial, non financial liabilities and provisions	178.09	(477.42)
	<b>Cash generated from Operations</b>	<b>(1,230.02)</b>	<b>904.74</b>
	Net Direct Taxes paid	(507.09)	(419.12)
	<b>Net Cash flow from operating activities</b>	<b>(1,737.11)</b>	<b>485.62</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Sale / (Purchase) of Property, Plant and equipment (Including Capital Work in Progress)	(317.87)	(1,056.00)
	Addition to Investment Properties	(21.56)	(22.00)
	Addition to Intangible Assets	-	-
	Increase in Investment in Subsidiaries, Associates & Joint Ventures	(245.09)	11.64
	Proceeds from sale of Property, Plant and Equipments	8.26	7.50
	Proceeds from sale of Investment Properties	-	-
	Share of Profit in Joint Venture	245.10	38.36
	Interest received	61.06	123.85
	<b>Net cash flow from investing Activities</b>	<b>(270.11)</b>	<b>(896.65)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Equity Shares including Share Premium & Share Warrants	-	695.40
	Redemption of Preference Shares	-	-
	Proceeds from Borrowings (Secured)	2,648.49	572.82
	Interest paid	(937.19)	(650.07)
	<b>Net Cash from financing Activities</b>	<b>1,711.30</b>	<b>618.14</b>
	<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(295.91)</b>	<b>207.12</b>
	Opening balance of Cash & Cash equivalents(April 1, 2018/April 1, 2017)	<b>972.02</b>	764.90
	Closing balance of Cash & cash equivalent	<b>676.11</b>	<b>972.02</b>
	<b>Cash and cash Equivalents comprises</b>		



S No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Cash in Hand	9.55	13.05
	Balance with Scheduled Banks		
	-In current Accounts	54.27	355.55
	-In Fixed Deposit Accounts with original maturity of less than 3 months	612.29	603.41
	<b>Total Cash and Cash Equivalents</b>	<b>676.11</b>	<b>972.02</b>
	<b>Total</b>		

**Notes:**

- The above Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7-Statement of Cash flows notified under Section 133 of the Companies Act,2013(The Act)[Companies(Indian Accounting Standrads ) Rules,2015, as amended.
- Figures in Bracket indicate cash outflow

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**

Chartered Accountants  
Firm Reg. No. 005717N

Sd/-

**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-

**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-

**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-

**Richi Bansal**  
(Director)  
DIN: 00119206

Sd/-

**Kapil Datta**  
(Company Secretary)



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019

### a. Equity share capital

(₹ in Lakhs)

Particulars	Amount
<b>As at March 31, 2017</b>	<b>801.70</b>
11,00,000 Equity shares issued during the Year	38.00
<b>As at March 31, 2018</b>	<b>839.70</b>
Equity shares issued during the Year	-
<b>As at March 31, 2019</b>	<b>839.70</b>

### b. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Money recd. against Share Warrants	Total
	General Reserve#	Retained Earnings	Securities Premium Reserve^	Foreign Currency Trans Reserve		
<b>Balance as at March 31, 2017</b>	1,277.28	1,417.89	1,287.00	(3.85)	457.50	<b>4,435.83</b>
Add:- Effect of change in depreciation method from WDV to SLM (Refer Note No-46)	-	667.62	-	-	-	667.62
Profit for the year	-	1,271.55	-	-	-	1,271.55
<b>Other comprehensive income for the year</b>						
-Remeasurement of the Defined Benefit Plans to Employees	-	0.88	-	-	-	0.88
-Exchange Difference on Foreign Currency Translation	-	-	-	-	-	-
Transfer from Retained Earnings to General Reserves	-	-	-	1.08	-	1.08
Addition / (Reduction) on Equity Shares issued	-	-	889.20	-	(927.20)	(38.00)
Addition on Share Warrants issued	-	-	-	-	695.40	695.40
<b>Balance as at March 31, 2018</b>	<b>1,277.28</b>	<b>3,357.94</b>	<b>2,176.20</b>	<b>(2.77)</b>	<b>225.70</b>	<b>7,034.35</b>
Profit for the Year	-	837.18	-	-	-	837.18
<b>Other comprehensive income for the Year</b>						
-Remeasurement of the Defined Benefit Plans to Employees	-	(0.27)	-	-	-	(0.27)
-Adjustment of Prior Period Expenses	-	(28.46)	-	-	-	(28.46)
Transfer from Retained Earnings to General Reserves	-	-	-	18.44	-	18.44
Foreiture of Money Recd. against Share Warrants (refer note no-47)	-	225.70	-	-	(225.70)	-
<b>Balance as at March 31, 2019</b>	<b>1,277.28</b>	<b>4,392.09</b>	<b>2,176.20</b>	<b>15.67</b>	-	<b>7,861.24</b>

#General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by the transfer from one component of equity to another and is not a item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

^Securities Premium Reserve is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

The above statement of changes in equity should be read in conjunction with the accompanying notes

This is the statement of changes in equity referred to in our report of even date.

See accompanying notes to the Standalone financial statements  
As per our attached report of even date

**For Alok Mittal & Associates**  
Chartered Accountants  
Firm Reg. No. 005717N

**For and On Behalf of the Board**

Sd/-  
**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Sd/-  
**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-  
**Richi Bansal**  
(Director)  
DIN: 00119206

Place : Ghaziabad, UP

Sd/-  
**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-  
**Kapil Datta**  
(Company Secretary)

Date : May 28, 2019





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 1. CORPORATE INFORMATION

Rama Steel Tubes Limited ("the Company") is limited Company domiciled in India and incorporated on February 26, 1974 under the provisions of the Company Act, 1956 having its registered office at A-15, Third Floor, Swasthya Vihar, New Delhi. The Company is a public company listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is engaged in the business of manufacturing of Steel Pipes and related products. The Company's manufacturing facilities are located at Sahibabad in Uttar Pradesh, Khopoli, Raigarh in Maharashtra and Hindupur in Andhra Pradesh through wholly owned Subsidiary-Lepakshi Tubes Pvt.Ltd. Company also has a wholly owned foreign subsidiary in Dubai, UAE in the name of RST International Trading FZE which is engaged in trading of Building & Construction material Item.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS & USE OF ESTIMATES

#### 2.1 Basis of Preparation of financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

#### 2.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting sheet

date is classified as capital advances under other noncurrent assets and the cost of Property, Plant and Equipment not available for use before such date are disclosed under 'Capital work-in-progress' policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Measurement

These consolidated financial statements have been prepared under the historical cost except for the following assets and liabilities which have been measured at fair value: The consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lakh and two decimals thereof, except as stated otherwise.

#### 3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group Controls on investee if and only if the Group has:

- Power over the investee (i.e. existing rights that gave it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its





returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

- a) The Contractual arrangement with the other vote holders of the investee;
- b) The rights arising from other contractual arrangements;
- d) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

An associate is an entity over which the Group has significant influence i.e. power to participate in the financial and operating policy decisions of the investee but no control or joint control over those policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company i.e. year ended 31 March. When the end of the reporting period of the parent is different from that of a subsidiary / associate, the subsidiary/ associate prepares for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Subsidiary:**

- a) Combine like items of assets, liabilities, equity, income ,expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill and
- c) Eliminate in full intragroup assets and liability, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 " Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in Consolidated Statement of Profit and Loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



### Associates / Joint Venture:

Interests in associates/joint venture are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. When a member of the Group transacts with an associate of the Group, profits and losses from transactions with the associate/ joint venture are recognised in the CFS only to the extent of interests in the associate/ joint venture that are not related to the Group.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate/ joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate/joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate/joint venture are eliminated to the extent of the interest in the associate/joint venture. The aggregate of the Group's share of profit or loss of an associate/joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate / joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate / joint venture and its carrying value, and then recognises the loss as 'Share of Profit of an associate /joint venture' in the Consolidated Statement of Profit & Loss.

Upon loss of significant influence over the associate /joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate /joint venture upon loss of significant and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit & Loss.

### 3.3 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment

losses, if any. Cost comprises of the purchase price (net of GST credits / duty credits wherever applicable) and all direct costs attributable to bringing the asset to its working condition for intended use and includes the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Software and licences which are integral part of the PPE are capitalised along with respective PPE. An item of property, plant & equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

### 3.4 Depreciation and Amortisation

- i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and Equipment are as follows:

#### Property, Plant & Equipment Useful lives in Years

Plant & equipment	: 8- 15
Building	: 5- 60
Office equipment	: 5
Vehicles	: 8-10
Furniture & fixtures	: 10
Computers	: 3- 6

The depreciation has been provided based on the useful life of assets specified in Schedule II to the Companies Act, 2013 on straight line method. The useful lives of assets as mentioned above is on their single shift basis, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that



period and in case of triple shift the depreciation shall be calculated on the basis of 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-of).
- iii Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life adjusted prospectively, if appropriate. Freehold land is not depreciated. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.

### 3.5 Impairment of non-financial assets

Property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

### 3.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The cash flow statement

has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS ) 7 statement of cash flows.

### 3.7 Inventories

Inventories are carried in the balance sheet as follows:

**Raw material, Stores & Spares** At lower of cost or net realisable value, cost includes cost of purchases and other cost incurred in bringing the inventories to their present location and condition.

**Work-in Progress** At lower of cost of material plus appropriate production overheads or net realisable value

**Finished Goods** At lower of cost of materials plus production overheads and excise duty (wherever applicable) or net realisable value.

**Purchased Goods in transit** Valued at cost.

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.8 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

- a) **Defined contribution plan** (I) Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss. There are no other obligations other than contribution to PF Schemes. (II) National pension scheme : Contribution to national pension scheme with the at predetermined rates is a defined contribution

scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit

- b) **Defined benefit plan** Gratuity : The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan



are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profits in the Statement of Profit and Loss. c) **Long term employee benefits:** Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the statement of profit and loss. All actuarial gains or losses are recognised immediately in the statement of profit and loss.

- d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### 3.9 Foreign currency reinstatement and translation

#### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the Functional currency (i.e. Indian Rupees), by applying to the Foreign currency amount, the spot exchange rate between the Functional currency and the Foreign currency at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss.

#### Measurement of Foreign currency Items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a Foreign currency, are translated using the exchange rate at the date of the translation. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date

when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Standalone Statement of Profit and Loss.

#### Translation of Financial Statements of Foreign entities:

On consolidation, the assets and liabilities of Foreign operations are translated into (Indian Rupees) at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in the Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition / business combination of a foreign operation on or after adoption of Ind AS 103-Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103-Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operations. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

### 3.10 Financial instruments

**Initial recognition:** The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

#### Subsequent measurement:

- i) **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on



specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- ii **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.
- iv **Financial Liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **De-recognition**

The company de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **3.11 Derivative financial instruments**

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The recognizing of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or

losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### **3.12 Borrowing costs**

- a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- b) All other borrowing costs are recognised as expense in the period in which they are incurred.

### **3.13 Taxation**

- i Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.
- ii Current tax provision is computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.
- iii Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.
- iv Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are off set, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **3.14 Revenue recognition and other income**

- a) Revenue from the sale of goods and services are measured at the fair value of the consideration received or receivable, net of returns and allowances, trade



discounts, rebates and incentives etc. Sales exclude Goods and Service Tax.

- b) Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of goods.
- c) Revenue from Services is recognised as per terms of the contract with customers based on stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.
- d) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is reasonable assurance that the Company will comply with the conditions attached to them.
- e) Other Income Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 3.15 Government grants / Assistance

Government grants/Assistance recognised where there is reasonable assurance that the same will be received and all eligibility criterias are met out If the grants/assistance are related to subvention of a particular expense, it is deducted form that expense in the year of recognition of government grant / Assistance.

### 3.16 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

### 3.17 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous

market must be accessible by the Company. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.18 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive



potential equity shares.

### 3.19 Provisions

- a) **Provisions** Provisions (excluding employee benefits) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.
- b) **Contingencies** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 3.20 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during

development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

## 4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

- Property, plant and equipment - Useful lives of assets**  
The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.
- Warranties**  
The Company generally offers Warranties for its consumer products and the liability towards warranty related costs are recognized in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.
- Provision and Contingencies**  
A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.



## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture and Fixtures	Plant & Equipment	Office Equipment	Elect. Fitting & Installation	Computers -Hardware	Vehicle	Total
<b>Year ended 31 March, 2019</b>									
<b>Gross Carrying Amount</b>									
<b>Gross Carrying Cost as of April 1, 2018</b>	392.31	775.29	13.27	2,808.42	19.79	32.97	7.91	191.71	4,241.67
Additions	80.36	25.86	3.64	82.65	2.19	2.01	1.20	27.34	225.25
Diposals	-	-	-	1.70	-	-	-	60.60	62.30
<b>Closing Gross carrying amount</b>	<b>472.67</b>	<b>801.15</b>	<b>16.91</b>	<b>2,889.37</b>	<b>21.98</b>	<b>34.98</b>	<b>9.11</b>	<b>158.45</b>	<b>4,404.62</b>
<b>Accumulated Depreciation</b>									
<b>As at April 1, 2018</b>	-	45.23	2.36	327.30	7.26	9.44	4.16	50.09	445.84
Depreciation charged during the year	-	25.37	2.30	194.00	3.70	3.13	2.03	27.77	258.31
Disposals	-	-	-	-	-	-	-	50.85	50.85
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>70.61</b>	<b>4.67</b>	<b>521.30</b>	<b>10.96</b>	<b>12.57</b>	<b>6.19</b>	<b>27.01</b>	<b>653.30</b>
<b>Net carrying value as on March 31, 2019</b>	<b>472.67</b>	<b>730.54</b>	<b>12.25</b>	<b>2,368.07</b>	<b>11.03</b>	<b>22.41</b>	<b>2.92</b>	<b>131.44</b>	<b>3,751.32</b>

## NOTE 4 : INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Elect. Fitting & Installation	Total
<b>Year ended 31 March, 2019</b>							
<b>Gross Carrying Amount</b>							
<b>Deemed Cost as of April 1, 2018</b>	95.06	279.88	10.94	6.05	6.96	15.05	413.94
Additions	-	15.71	5.85	-	-	-	21.56
Diposals	-	-	-	-	-	-	-
<b>Closing Gross carrying amount</b>	<b>95.06</b>	<b>295.59</b>	<b>16.79</b>	<b>6.05</b>	<b>6.96</b>	<b>15.05</b>	<b>435.50</b>
<b>Depreciation</b>							
<b>As at April 1, 2018</b>	-	29.34	2.18	1.81	5.12	4.81	43.26
Depreciation charge during the year	-	9.95	1.11	0.91	-	2.24	14.21
Disposals	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>39.29</b>	<b>3.29</b>	<b>2.72</b>	<b>5.12</b>	<b>7.05</b>	<b>57.47</b>
<b>Net carrying value as on 31-March-2019</b>	<b>95.06</b>	<b>256.30</b>	<b>13.50</b>	<b>3.33</b>	<b>1.84</b>	<b>8.00</b>	<b>378.03</b>





**NOTE 5 : INTANGIBLE ASSETS**

Particulars	(₹ in Lakhs)	
	Computer Software	Total
<b>Year ended March 31, 2019</b>		
<b>Gross Carrying Amount</b>		
<b>Deemed Cost as of April 1, 2018</b>	13.84	13.84
Additions	-	-
Disposals	-	-
<b>Closing Gross carrying amount</b>	13.84	13.84
<b>Accumulated Depreciation</b>		
Opening	8.11	8.11
Depreciation charge during the year	3.93	3.93
Disposals	-	-
<b>Closing accumulated depreciation</b>	12.04	12.04
<b>Net carrying value as on March 31, 2019</b>	<b>1.80</b>	<b>1.80</b>

**NOTE 6 : INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>a) Investment in Joint Venture</b>		
M/s Pir Panchal Construction Pvt. Ltd. Joint Venture	452.73	207.64
	<b>452.73</b>	<b>207.64</b>

**Details of Joint Ventures**

Name of the Joint Venture	Principal Place of Business/ Principal Activity	Ownership Interest % as of	
		As at March 31, 2019	As at March 31, 2018
M/s Pir Panchal Construction Pvt. Ltd.-JV	India / Erection of Poles	25.00	25.00

The amounts recognised in the balance sheet are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Joint Ventures	452.73	207.64

**NOTE 7 : INVESTMENTS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Investment in Equity Instruments</b>		
<b>-Others</b>		
<b>Quoted</b>		
60,500 (as at 31st March 2018: 60,500) Equity shares of ₹10/- each fully paid up of Uttam Value Steels Limited	0.60	0.60
<b>Unquoted</b>		
2 (as at 31st March 2018: 2) Equity shares of ₹ 10 each fully paid up of CIDCO Mumbai	0.00	0.00
<b>Total</b>	<b>0.61</b>	<b>0.61</b>



**NOTE 8 : OTHER FINANCIAL ASSETS (NON-CURRENT)**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	88.01	83.17
Loans to Others	234.20	65.00
Bank Deposits with maturity period more than 12 months*	118.44	28.69
<b>Total</b>	<b>440.65</b>	<b>176.85</b>

\*Held as margin money or security against the borrowings, guarantees and other commitments.

**NOTE 9 : OTHER NON-CURRENT ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good:</b>		
Capital Advances	10.38	-
Operating Lease Prepayments	65.25	66.83
<b>Total</b>	<b>75.63</b>	<b>66.83</b>

**NOTE 10 : INVENTORIES**

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	3,877.97	2,441.25
(Including material in-transit ₹813.50 Lakhs (As at 31st March, 2018 : ₹NIL/-)		
Finished Goods	658.37	925.37
Work-in-progress	551.00	-
Scrap Material	12.40	17.78
Stores, spares and consumable	35.44	45.50
<b>Total</b>	<b>5,135.18</b>	<b>3,429.90</b>

**NOTE 11(A) : TRADE RECEIVABLES**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured:</b>		
Considered Good	6,445.95	3,814.33
<b>Total</b>	<b>6,445.95</b>	<b>3,814.33</b>

**NOTE 11(B) : CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balances with banks</b>		
-Current Accounts	54.27	355.55
-In Fixed deposit accounts with original maturity of less than 3 months*	612.29	603.41
Cash in Hand	9.55	13.05
<b>Total</b>	<b>676.11</b>	<b>972.02</b>

\*Held as margin money or security against the borrowings, guarantees and other commitments.

**NOTE 11(C) : OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on loans, investments and deposits	20.38	27.67
<b>Total</b>	<b>20.38</b>	<b>27.67</b>



**NOTE 12 : OTHER CURRENT ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Advances other capital advances</b>		
Advance to suppliers and others	1,088.14	1,409.46
Balance with Government Authorities	1,026.39	929.55
Prepaid Expenses	70.90	11.60
Operating Lease Prepayments	1.59	1.59
Other Receivables	327.09	63.80
<b>Total</b>	<b>2,514.11</b>	<b>2,416.01</b>

**NOTE 13 - SHARE CAPITAL:**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. Share Capital</b>		
<b>Authorized:</b>		
1,80,00,000 (as at 31st March 2018: 1,80,00,000 ) Equity Shares of ₹5/- each	900.00	900.00
25,00,000 (as at 31st March 2018: 25,00,000) 5% Non Cumulative Redeemable Preference shares of ₹ 10/- each	250.00	250.00
	<b>1,150.00</b>	<b>1,150.00</b>
<b>Issued, Subscribed &amp; Paid up:</b>		
1,67,94,000 ( as at 31st March 2018: 1,67,94,000 ) Equity Shares of ₹5/- each fully paid up	839.70	839.70
<b>Total</b>	<b>839.70</b>	<b>839.70</b>

**B. Reconciliation of Number of Shares**

Equity Shares of ₹5/- Each fully paid up	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
<b>Balance as at the beginning of the year</b>	<b>16,794,000</b>	<b>839.70</b>	<b>16,034,000</b>	<b>801.70</b>
Additions during the year:	-	-	760,000	38.00
Deletion during the year :	-	-	-	-
<b>Balance as at the end of the year</b>	<b>16,794,000</b>	<b>839.70</b>	<b>16,794,000</b>	<b>839.70</b>

**C. Detail of shareholder holding more than 5% shares of the Company :**

Name of Shareholder	As at 31-March-2019		As at 31-March-2018	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Naresh Kumar Bansal	6,108,000	36.37	6,088,000	36.25
Richi Bansal	1,443,000	8.59	1,443,000	8.59
Nikhil Naresh Bansal	1,341,000	7.98	1,341,000	7.98
Arun Enterprises (a Partnership Firm)	954,821	5.69	954,821	5.69

**D. Right, preference and restrictions attached to shares Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount , in proportion of their shareholding.



**NOTE 14 : OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium Account	2,176.20	2,176.20
Money Recd. against Share Warrants	-	225.70
General Reserve	1,277.28	1,277.28
Retained Earnings	4,392.09	3,357.94
Foreign Currency Translation Reserve	15.67	(2.77)
<b>Total</b>	<b>7,861.24</b>	<b>7,034.35</b>

For movement during the year in Other Equity, refer "Statement of Changes in Equity"

**NOTE 15 : BORROWINGS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Term Loans from banks#	1,841.24	1,791.36
Less: Current Maturities transferred to Other financial liabilities	(317.71)	(252.78)
	<b>1,523.53</b>	<b>1,538.58</b>
<b>Unsecured Loans</b>		
Loan from Directors	474.31	42.83
Loans and Advances from Related Parties	69.84	64.51
	<b>544.15</b>	<b>107.34</b>
<b>Total</b>	<b>2,067.68</b>	<b>1,645.91</b>

# Term loan against property (LAP) from banks is secured by way of mortgage of plot No 131, sector-44, Gurgaon & hypothecation of fixed assets of the Company and extension of charge by way of hypothecation of current assets of the Company. Another term loan from bank is secured by way of mortgage of land & building & hypothecation of fixed assets of the Company (movable & immovable) belonging to the unit set up at Anantpur District, Andhra Pradesh, present and future belonging to the company and extension of first charge by way of hypothecation of entire current assets of the company, present and future and guaranteed by personal guarantee by Mr. Naresh Kumar Bansal and Mr. Richi Bansal, Directors of the Company. Further secured by way of corporate guarantee by holding company-Rama Steel Tubes Limited.

- Term loan from banks outstanding amounting ₹ 795.29 Lakhs as at 31.03.2019 carrying a MCLR linked Interest @ 1 year MCLR + 1.25% p.a. This balance loan is repayable in 60 monthly installments of ₹13.21 Lakhs till March 31, 2024 and last installment of ₹2.69 Lakhs to be paid in April 2024.
- First Term loan against property (LAP) from bank outstanding amounting ₹615.53 Lakhs as at 31.03.2019 are payable in 110 monthly installments commencing from August 2014 to September 2023, carrying a floating interest rate linked with MCLR of bank (1 year MCLR : 8.55% plus 0.95 % p.a.) with periodical interest reset.
- Second topup term loan against property (LAP) from bank outstanding amounting ₹140.25 Lakhs as at 31.03.2019 are payable in 121 monthly installments commencing from May 2017 to May 2027, carrying a floating interest rate linked with MCLR of bank (1 year MCLR: 8.55% plus 1.60 % p.a.) with periodical interest reset.
- Third topup term loan against property (LAP) from bank outstanding amounting ₹243.62 Lakhs as at 31.03.2019 are payable in 120 monthly installments commencing from Nov 2018 to Oct 2028, carrying a floating interest rate linked with MCLR of bank (1 year MCLR: 8.55% plus 0.95 % p.a.) with periodical interest reset.
- First vehicle term loan from bank outstanding amounting ₹ 0.26 Lakhs as at 31.03.2019 are payable in 36 monthly installments commencing from May 2016 to April 2019 with rate of interest 9.75 % p.a. at year end.
- Second Vehicle term loan from bank amounting ₹46.29 Lakhs as at 31.03.2019 are payable in 60 monthly installments commencing from March 2017 to Feb 2022 with rate of interest 9.75% p.a. at year end. Note: Installments falling due in respect of all the above loans upto 31st March, 2019 have been grouped under " Current Maturities of long term debt". (Refer Note 19 (c).



**NOTE 16 : OTHER FINANCIAL LIABILITIES (NON CURRENT)**

Particulars	As at March 31,2019	As at March 31,2018
Security Deposits	75.58	52.97
<b>Total</b>	<b>75.58</b>	<b>52.97</b>

**NOTE 17 : PROVISIONS (NON CURRENT)**

Particulars	As at March 31,2019	As at March 31,2018
Gratuity	39.23	29.53
Compensated Absences	4.50	3.55
<b>Total</b>	<b>43.73</b>	<b>33.08</b>

**NOTE 18 : DEFERRED TAX ASSETS/LIABILITIES(NET)**

Particulars	As at March 31,2019	As at March 31,2018
<b>Deferred Tax Assets</b>		
Provision for Gratuity and Compensated Absences	21.31	18.55
Unabsorbed Depreciation/ carried forward losses	164.05	
	<b>185.36</b>	<b>18.55</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	123.47	99.82
Others	-	-
	<b>123.47</b>	<b>99.82</b>
<b>Deferred Tax Assets(Net)</b>	<b>61.89</b>	-
<b>Deferred Tax Liabilities(Net)</b>	-	<b>81.27</b>

**NOTE 19(A) : BORROWINGS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Loans Repayable on demand from Banks	6,605.19	4,378.34
<b>Unsecured</b>		
Other Loans from Banks	-	0.13
<b>Total</b>	<b>6,605.19</b>	<b>4,378.47</b>

\* Working Capital Facilities from Banks are secured by way of hypothecation of Company's current assets (present and future) including interalia stock of raw materials, stores, spares, stock in process, finished goods etc. lying in the factory, shop, godowns, elsewhere and including goods in transit , book debts, bills receivable and first charge by way of collateral in respect of fixed assets of the company and further guaranteed by Sh. Naresh Kumar Bansal, Director and Sh. Richi Bansal, Director of the Company.

**NOTE 19(B) : TRADE PAYABLES**

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to Micro,Small and medium Enterprises (Refer Note No-43)	2.70	2.09
Total outstanding dues to other than Micro,Small and medium Enterprises	1,879.23	427.22
<b>Total</b>	<b>1,881.93</b>	<b>429.32</b>

**NOTE 19(C) : OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	As at March 31,2019	As at March 31, 2018
Current Maturities of term loans transferred from long term borrowings	317.71	252.78
Interest accrued but not due on Loans	7.19	-
<b>Total</b>	<b>324.90</b>	<b>252.78</b>



**NOTE 20 : PROVISIONS (CURRENT)**

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity	26.64	28.24
Compensated Absences	3.11	2.24
<b>Total</b>	<b>29.75</b>	<b>30.47</b>

**NOTE 21 : OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customers and Others	162.90	101.36
Statutory Levies	19.39	15.57
Employee Benefits Payable	46.74	55.90
Expenses Payable	36.53	19.31
<b>Total</b>	<b>265.56</b>	<b>192.14</b>

**NOTE 22 : CURRENT TAX LIABILITIES (NET)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Taxation	217.19	541.03
Less: Advance Tax	(165.44)	(227.41)
<b>Total</b>	<b>51.75</b>	<b>313.62</b>

**NOTE 23 : REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of Products</b>		
<b>Finished Goods</b>		
Within India	38,060.50	28,796.97
Outside India	1,433.65	4,240.37
Traded Goods	10,340.45	4,606.36
<b>Total Gross Sales(including excise duty)</b>	<b>49,834.60</b>	<b>37,643.70</b>
<b>Other Operating Revenue</b>		
Scrap Sale (Including Excise Duty)	549.71	482.54
Job Work Income	15.76	3.39
Export Incentives	14.54	89.27
<b>Total</b>	<b>580.01</b>	<b>575.19</b>
<b>Total Revenue from Operations</b>	<b>50,414.61</b>	<b>38,218.89</b>

**NOTE 24: OTHER INCOME**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with bank	61.06	123.85
Liabilities no longer required written back	4.39	16.44
Foreign Exchange Gain(net)	18.74	89.20
Commission Income	-	72.94
Rental Income	175.69	114.98
Miscellaneous Income	4.17	44.55
<b>Total</b>	<b>264.05</b>	<b>461.96</b>



**NOTE 25 : COST OF MATERIAL CONSUMED**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Raw Materials</b>		
Opening Stock	2,441.25	4,299.59
Add: Purchase	47,918.96	32,086.74
Less: Closing Stock	(3,064.48)	(2,441.25)
Less: Cost of Raw Material cleared as such	(9,900.72)	(4,256.03)
<b>Total</b>	<b>37,395.01</b>	<b>29,689.05</b>

**NOTE 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock</b>		
Finished Goods	925.37	825.43
WIP	-	-
Scrap Material	17.78	13.43
Traded Goods	-	-
<b>Total (A)</b>	<b>943.15</b>	<b>838.86</b>
<b>Closing Stock</b>		
Finished Goods	658.37	925.37
WIP	551.00	-
Scrap Material	12.40	17.78
Traded Goods	-	-
<b>Total (B)</b>	<b>1,221.77</b>	<b>943.14</b>
<b>Total (A-B)</b>	<b>(278.62)</b>	<b>(104.28)</b>

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages, Bonus etc.	552.97	430.90
Contribution to Provident and Other Funds	17.23	14.88
Staff Welfare Expenses	6.54	6.66
Gratuity	12.06	9.65
Compensated Absences	1.82	3.00
<b>Total</b>	<b>590.62</b>	<b>465.10</b>

**NOTE 28 : FINANCE COST**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on :	925.20	643.62
Other Expenses	11.99	6.45
<b>Total</b>	<b>937.19</b>	<b>650.07</b>

**NOTE 29 : DEPRECIATION AND AMORTISATION**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	258.30	212.98
Depreciation on investment property	14.21	15.16
Amortisation of intangible assets	3.93	4.66
<b>Total</b>	<b>276.44</b>	<b>232.81</b>



**NOTE 30 : OTHER EXPENSES**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Job Work Charges	9.96	40.63
Power & Fuel Expenses	334.75	257.86
Repair & Maintenance :-	-	-
Building	25.26	39.81
Plant & Machinery	31.30	18.24
Rent	20.75	29.84
Printing & Stationery	9.24	5.58
Postage & Telephone	6.65	14.56
Vehicle Running Expenses	11.30	14.94
Fees & Taxes	40.10	42.40
Travelling Expenses:		
Directors	16.17	21.88
Others	10.72	24.58
Legal & Professional Charges	19.60	54.14
Loss on sale of PPE / Investments	3.19	0.69
Donation	0.37	-
Corporate social responsibility expenses (Refer Note 39)	23.86	13.41
Miscellaneous Expenses	7.57	16.12
Auditor's Remuneration	4.75	4.75
Insurance	5.97	7.91
Key-man Insurance	0.02	5.20
Office Expenses	3.46	5.97
Advertisement Expenses	0.75	0.28
Commission	16.61	52.99
Freight Outward	119.28	242.83
Business Promotion	26.37	22.66
Bad Debt	3.80	-
Other Selling Expenses	50.30	10.69
Stores and Spares	360.98	189.15
<b>Total</b>	<b>1,163.06</b>	<b>1,137.10</b>

**NOTE 31 : TAX EXPENSE**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current Tax</b>		
Current Tax on profits for the year	217.19	541.03
Adjustment for current tax of prior periods	28.02	13.85
<b>Total current tax expense</b>	<b>245.21</b>	<b>554.88</b>
<b>Deferred Tax</b>		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	(143.05)	18.29
<b>Total deferred tax expense/(benefit)</b>	<b>(143.05)</b>	<b>18.29</b>
<b>Total Tax Expense</b>	<b>102.16</b>	<b>573.17</b>

**32. FINANCIAL RISK MANAGEMENT****Financial Risk Factors**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short terms deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks.





**i) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: currency rate risk, interest rate risk and other price risks such as equity price risk and commodity risk. Financials instruments affected by market risk includes loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2019 and March 31, 2018.

**ii) Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**iii) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

**Market Risk**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

**(a) Foreign exchange risk and sensitivity**

The company transacts business primarily in Indian Rupee. The company is exposed to foreign exchange risk through its sales in international markets. The company has given unsecured loan to its wholly owned subsidiary company and has foreign currency receivables and is therefore, exposed to foreign exchange risk. The company evaluates foreign currency exposure time to time and follow established risk management policies by taking foreign exchange forward contracts to hedge exposure of foreign currency risk and also some of the foreign currency exposure remains naturally hedged. The Following table analyses foreign currency risk from financial instruments as of March 31, 2019 and March 31, 2018 :-

Particulars	Currency	₹ in Lakhs	
		As at March 31, 2019	As at March 31, 2018
<b>Financial Assets:-</b>			
Trade Receivables	USD	36.87	86.36
Unsecured Loan Receivables	USD	147.40	38.70
<b>Financial Liabilities:-</b>			
Trade Payables	USD	-	-
<b>Net (Assets) / Liabilities</b>		<b>184.27</b>	<b>86.36</b>

Particulars of forward contracts taken during the year are given below

Particulars	Type	No. of Contract	US\$ Equivalent (Lakhs)	₹ in Lakhs
As at 31st March, 2019	Sell	-	-	-
	Buy	16.00	21.17	1,496.53
As at 31st March, 2018	Sell	-	-	-
	Buy	26.00	66.69	4,324.50



**Summary of exchange difference accounted in Statement of Profit & Loss**

(₹ in Lakhs)

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2019
Net foreign exchange (gain)/ losses shown under Other Income	19.46	89.20
Net foreign exchange (gain)/ losses shown under OCI	18.44	1.08
<b>Total</b>	<b>37.90</b>	<b>90.28</b>

**(b) Interest rate risk and sensitivity**

The Company does not have any borrowings on which the interest risk and Sensitivity arises.

**Interest rate**

The below table demonstrates the borrowings of fixed and floating rate of interest:-

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate
INR	8,997.77	8,407.08	101.54	9.85%
<b>Total as at 31 March, 2019</b>	<b>8,997.77</b>	<b>8,407.08</b>	<b>101.54</b>	<b>9.85%</b>
INR	6,277.16	6,169.83	107.34	9.90%
<b>Total as at 31 March, 2018</b>	<b>6,277.16</b>	<b>6,169.83</b>	<b>107.34</b>	<b>9.90%</b>

**(c) Commodity price risk and sensitivity**

The company is exposed to the movement in price of key raw materials in domestic markets. The Company enters into contracts for procurement of material most of the transactions are short term fixed price contract.

**Credit Risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables). Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information.

**Cash and Cash Equivalents, Deposit in Banks and other Financial instruments**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations. For other financial assets the company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the company adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

**Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date



based on contractual undiscounted payments.

As at 31st March 2019	Less than 1 year	Above 1 year	Total
Non Current borrowings	-	2,067.68	2,067.68
Current borrowings	6,605.19	-	6,605.19
Trade payables	1,881.93	-	1,881.93
Other financial liabilities	324.90	75.58	400.48
<b>Total</b>	<b>8,812.02</b>	<b>2,143.26</b>	<b>10,955.28</b>

As at 31st March 2018	Less than 1 year	Above 1 year	Total
Non Current borrowings	-	1,645.91	1,645.91
Current borrowings	4,378.47	-	4,378.47
Trade payables	429.32	-	429.32
Other financial liabilities	252.78	52.97	305.75
<b>Total</b>	<b>5,060.56</b>	<b>1,698.88</b>	<b>6,759.44</b>

### Capital Risk Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

Further the company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. as under :-

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Interest-bearing loans and borrowings	8,508.62	6,277.16
Equity	8,700.94	8,023.39
Capital and net debt	17,209.56	14,300.55
<b>Gearing ratio in %</b>	<b>49.44%</b>	<b>43.89%</b>

### 33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognised in the financial statements.

Particulars	(₹ in Lakhs)			
	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Trade Receivables	6,445.95	6,445.95	3,814.33	3,814.33
Cash & cash Equivalents	676.11	676.11	972.02	972.02
Bank balances other than above	-	-	-	-
Other Financial assets	461.03	461.03	204.52	204.52
<b>Total</b>	<b>7,583.09</b>	<b>7,583.09</b>	<b>4,990.87</b>	<b>4,990.87</b>
<b>Financial liabilities designated at amortised cost</b>				
Non Current Borrowings	2,067.68	2,067.68	1,645.91	1,645.91
Current Borrowings	6,605.19	6,605.19	4,378.47	4,378.47
Trade payables	1,881.93	1,881.93	429.32	429.32
Other financial liabilities	400.48	400.48	305.75	305.75
<b>Total</b>	<b>10,955.28</b>	<b>10,955.28</b>	<b>6,759.44</b>	<b>6,759.44</b>



### Fair Value Hierarchy

The company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the assets or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

1. Level 1: Quoted prices/ NAV for Identical instruments in an active market.
2. Level 2: Directly or indirectly observable market inputs, other than level 1 inputs; and
3. Level 3: Inputs which are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### Fair Value Technique

- 1) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short term nature.
- 2) The fair value of security deposit given was calculated based on cash flows discounted using the current lending rate. They are classified as a level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- 3) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into level 1 to Level 2 as described below:-

#### Assets/ Liabilities measured at fair value (Accounted)

(₹ in Lakhs)

Particulars	As at 31st March, 2019		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Security deposits'	-	88.01	-

(₹ in Lakhs)

Particulars	As at 31st March, 2018		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Security deposits'	-	83.17	-

Particulars	As at 31st March, 2019		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowings-fixed rate	-	101.54	-
other financial liabilities	-	400.48	-

(₹ in Lakhs)

Particulars	As at 31st March, 2018		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowings-fixed rate	-	107.34	-
other financial liabilities	-	305.75	-



During the year ended 31st March 2019 and 31st March 2018, there were no transfers between level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/ balance under Level 3.

Following table describes the valuation techniques used and key inputs for valuation under fair value hierarchy as of March 31, 2019 and March 31, 2018 respectively:-

**(a) Assets/ Liabilities measured at Fair value**

Particulars	Fair Value hierarchy	Valuation technique	Inputs used
Security deposits	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.
Particulars	Fair Value hierarchy	Valuation technique	Inputs used
Borrowings fixed	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.
Other Financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.

**34. Segment Reporting**

The Company is carrying out the activity of Manufacturing of Pipes and Trading of steel related products. However as its wholly owned subsidiary company in Dubai viz. RST International Trading FZE is pursuing the business of Trading of Steel Products and Non Ferrous Metal Products. The Segment wise Results of Manufacturing and Trading are given below :

**Statement of Segment wise Revenue, Results, Assets & Liabilities:-**

Particulars	(₹ in Lakhs)				
	Quarter ended 31-03-2019	Quarter ended 31-12-2018	Quarter ended 31-03-2018	Year ended 31-March-19	Year ended 31-March-18
<b>Segment Total Revenue</b>					
Manufacturing - Steel Pipe	9,405.35	9,857.97	9,736.69	40,338.21	34,074.50
Trading- Steel Products	4,279.04	2,656.28	2,542.28	10,340.45	4,606.36
<b>Total</b>	<b>13,684.39</b>	<b>12,514.24</b>	<b>12,278.97</b>	<b>50,678.66</b>	<b>38,680.86</b>
<b>Segment Results</b>					
Manufacturing - Steel Pipe	452.55	378.12	646.04	2,144.47	2,144.47
Trading- Steel Products	62.27	52.07	141.34	350.33	350.33
<b>Total</b>	<b>514.82</b>	<b>430.19</b>	<b>787.38</b>	<b>2,494.80</b>	<b>2,494.80</b>
Less : Finance Cost	172.29	303.41	192.34	650.07	650.07
Add : Exceptional Items	-	-	-	-	-
<b>Profit before Tax</b>	<b>342.53</b>	<b>126.78</b>	<b>595.03</b>	<b>1,844.72</b>	<b>1,844.72</b>
<b>Segment Assets</b>					
Manufacturing - Steel Pipe	19,439.75	18,369.70	14,712.58	14,712.58	14,712.58
Trading- Steel Products	607.26	2,624.79	610.20	610.20	610.20
	<b>20,047.01</b>	<b>20,994.49</b>	<b>15,322.78</b>	<b>15,322.78</b>	<b>15,322.78</b>
<b>Segment Liabilities</b>					
Manufacturing - Steel Pipe	11,346.08	12,483.87	7,419.14	7,419.14	7,419.14
Trading- Steel Products	3.11	1,977.97	29.59	29.59	29.59
	<b>11,349.19</b>	<b>14,461.84</b>	<b>7,448.73</b>	<b>7,448.73</b>	<b>7,448.73</b>

**35. Income Tax expenses**

S.No.	Description	Year ended March 31, 2019	Year ended March 31, 2018
1	Current Tax	217.19	541.03
2	Deferred Tax	(143.05)	18.29
3	Previous year taxation adjustments	28.02	13.85
4	MAT credit entitlement	-	-
<b>Total</b>		<b>102.16</b>	<b>573.17</b>



### Effective Tax Reconciliation

S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Net Loss/ Income before Taxes	939.34	1,844.72
	Enacted tax rates Computed Tax	27.820%	34.608%
	Income (Expense)	261.32	638.42
	Increase /(Reduction) in taxes on account of :-		
1	Amount Not taxable/ exempt	(44.13)	(97.39)
2	Previous year taxation adjustments	28.02	13.85
3	Deferred tax	(143.05)	18.29
	<b>Total</b>	<b>102.16</b>	<b>573.17</b>
	<b>Effective Tax Rate</b>	<b>11%</b>	<b>31%</b>

### 36. Deferred Tax

The analysis of deferred tax accounted for in the statement of Profit and Loss is as follows:-

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Book base and tax base of Fixed Assets	20.16	55.30
(Disallowance) / Allowance (net) Under Income Tax	(163.32)	(36.84)
Ind-As adjustments	0.11	(0.17)
<b>Total</b>	<b>(143.05)</b>	<b>18.29</b>

### Component of tax accounted in OCI

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Tax Gain/ (Loss) on defined benefit	0.11	(0.48)
<b>Total</b>	<b>0.11</b>	<b>(0.48)</b>

### 37. RETIREMENT BENEFIT OBLIGATION

#### I. Expenses recognised for Defined Contribution plan

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Company's Contribution to provident fund	10.92	10.82
Company's Contribution to ESI	6.31	4.06
Company's Contribution to superannuation fund	-	-
<b>Total</b>	<b>17.24</b>	<b>14.88</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in Balance sheet as of March 31, 2019 and March 31, 2018, being the respective measurement dates:-

#### II. Movement in Defined benefit obligation'

(₹ in Lakhs)

Particulars	Gratuity (unfunded)	Leave encashment (unfunded)
Present value of obligation-April 1, 2017'	50.20	2.79
Current Service Cost	5.95	1.24
Interest Cost	3.70	0.20
Benefits paid	(0.73)	-
Remeasurements-actuarial loss/ (gain)	(1.36)	1.56
<b>Present value of obligation-March 31, 2018'</b>	<b>57.76</b>	<b>5.79</b>
Present value of obligation-April 1, 2018	57.76	5.79
Current Service Cost	7.61	1.13
Interest Cost	4.45	0.45
Benefits paid	(4.33)	-
Remeasurements-actuarial loss/ (gain)	0.38	0.25
<b>Present value of obligation-March 31, 2019'</b>	<b>65.87</b>	<b>7.61</b>



**III. Movement in Plan Assets-Gratuity**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Fair Value of plan assets at beginning of year'	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Amount received on redemption of plan assets	-	-
Acquisitions/ Transfer in / Transfer out	-	-
Actuarial gain / (loss)	-	-
<b>Fair Value of plan assets at end of year</b>	-	-
Present value of obligation Net Funded status of plan	-	-
<b>Actual return on plan assets</b>	-	-

**IV. Recognised in Profit & Loss**

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated absence
Current Service Cost	5.95	1.24
Interest Cost	3.70	0.21
Expected return on plan assets	-	-
Remeasurements-actuarial loss/ (gain)	-	1.56
Past Service cost	-	-
<b>For the Year ended March 31, 2018</b>	<b>9.65</b>	<b>3.00</b>
Current Service Cost	7.61	1.13
Interest Cost	4.45	0.45
Expected return on plan assets	-	-
Remeasurements-actuarial loss/ (gain)	-	0.25
Past Service cost	-	-
<b>For the Year ended March 31, 2019</b>	<b>12.06</b>	<b>1.82</b>
Actual return on plan assets	-	-

**V. Recognised in other comprehensive income**

Particulars	(₹ in Lakhs)	
	Employee Benefit Expenses	
Remeasurement-Actuarial loss/ (gain)	(1.36)	
<b>For the Year ended March 31, 2018</b>	<b>(1.36)</b>	
Remeasurement-Actuarial (loss)/ gain	0.38	
<b>For the Year ended March 31, 2019</b>	<b>0.38</b>	

**VI. The principal actuarial assumptions used for estimating the Company's defined benefit obligation are set out below :-**

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Attrition rate	3%	3%
Discount rate	7.66	7.71
Expected rate of increase in Compensation levels	6.00	6.00
Expected rate of Return on plan Assets	NA	NA
Mortality rate	100% of IALM (2006-08)	100% of IALM (2006-08)
Expected Average remaining working lives of employees (years)	21.28	20.24

The assumptions of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.



## VII. Sensitivity Analysis:-

### For the Year ended March 31, 2019

Particulars	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	-2.30	-0.28
	-0.50%	2.52	0.31
Salary Growth rate	0.50%	2.55	0.31
	-0.50%	-2.35	-0.29
Withdrawal rate*	-	-	-

\* Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

### For the Year ended March 31, 2018

Particulars	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	-1.66	-0.21
	-0.50%	1.82	0.23
Salary Growth rate	0.50%	1.60	0.23
	-0.50%	-1.70	-0.21
Withdrawal rate	-	-	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

## VIII. History of experience adjustments is as follows:

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
<b>For the Year ended March 31, 2019</b>		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-
<b>For the Year ended March 31, 2018</b>		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-

Estimate of expected benefits payments (In absolute terms i.e. undiscounted)

Particulars	(₹ in Lakhs)	
	Gratuity	
01 Apr 2019 to 31 Mar 2020	26.64	
01 Apr 2020 to 31 Mar 2021	0.62	
01 Apr 2021 to 31 Mar 2022	0.86	
01 Apr 2022 to 31 Mar 2023	0.91	
01 Apr 2023 to 31 Mar 2024	0.95	
01 Apr 2024 to 31 Mar 2025	1.26	
01 Apr 2025 Onwards	34.62	





**IX. Statement of Employee benefit provision**

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Gratuity	65.87	57.76
Compensated absences	7.62	5.79
Other employee benefits	-	-
<b>Total</b>	<b>73.49</b>	<b>63.55</b>

**X. Current and non-current provision for Gratuity and Leave Encashment**

**For the Year ended March 31, 2019**

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
Current Provision	26.64	3.11
Non Current Provision	39.23	4.50
<b>Total Provision</b>	<b>65.87</b>	<b>7.62</b>

**For the Year ended March 31, 2018**

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
Current Provision	28.24	2.24
Non Current Provision	29.53	3.55
<b>Total Provision</b>	<b>57.76</b>	<b>5.79</b>

**XI. Employee benefits expenses**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Salary and Wages	552.97	430.90
Costs-defined contribution plan	31.11	27.53
Welfare expenses	6.54	6.66
<b>Total</b>	<b>590.62</b>	<b>465.10</b>

Particulars	(Figures in no.)	
	Year ended March 31, 2019	Year ended March 31, 2018
Average no of people employed	140	132

**OCI presentation of defined benefit plan**

- Gratuity is in the nature of defined benefit plan, re-measurement gains / (losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

**Presentation in Statement of Profit and Loss and Balance Sheet**

Expenses for Service cost , net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short terms benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined plan, the company is required to measure the net defined benefit at the lower of the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.



### 38. OTHER DISCLOSURES

a) Statutory Auditors Remuneration, Cost Auditors Remuneration, Secretarial Auditors Remuneration and CSR Expenditure :-

(₹ in Lakhs)			
S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b>	<b>Statutory Auditors Fees</b>		
	a) Audit Fees	2.50	2.50
	b) Tax Audit Fees	2.25	2.25
	c) Certification /Others	0.09	0.27
	d) Out of Pocket Expenses	0.16	-
	<b>Total</b>	<b>5.00</b>	<b>5.02</b>
<b>II</b>	<b>Cost Auditors Fees</b>		
	a) Audit Fees	0.45	0.45
	<b>Total</b>	<b>0.45</b>	<b>0.45</b>
<b>III</b>	<b>Secretarial Auditors Fees</b>		
	a) Audit Fees	0.40	0.40
	<b>Total</b>	<b>0.40</b>	<b>0.40</b>

- b) The company has not proposed any dividend to its shareholders during the year.
- c) The Company has not given any loan or given any guarantee with respect to the parties covered under section 186 (4) of the Companies Act, 2013.
- c) Certain balances of trade receivables, loan and advances, trade payable and other liabilities are subject to confirmation and / or reconciliation.

### 39. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY:

Details of expenditure on Corporate Social Responsibility Activities as per section 135 of the Companies Act, 2013 and with schedule III are as below:

(₹ in Lakhs)			
S.No.	Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A	Gross amount required to be spent by the Company during the year	23.86	13.41
B	Amount spent during the year	23.86	13.41
(I)	Construction / Acquisition of Asset	NIL	NIL
(II)	On purpose other than (i) above-		
	a) Rural Development	-	-
	b) Women Education	2.00	-
	c) Women Empowerment and Skill Development	21.86	13.41

### 40. Contingent Liabilities not provided for in respect of:

(₹ in Lakhs)			
S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1)	Disputed liability of Entry tax	69.90	69.90
2)	Guarantees issued by Company's Bankers on behalf of the Company	2,083.91	2,066.57
3)	Letter of Credit Outstanding	1,940.95	934.85

41. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. NIL (Previous Year Rs. NIL).

42. Exceptional item consists of Loss (Net) of ₹ NIL (Previous year Loss (Net) of ₹ NIL on the provision of employees benefits pertaining to previous years.

43. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below:-



(₹ in Lakhs)			
S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Principal Amount due outstanding	2.70	2.09
2	Interest due on (1) above and unpaid	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid'	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

**44. PURSUANT TO IND AS-17-'LEASES', THE FOLLOWING INFORMATION IS DISCLOSED:**
**(A) Operating Leases**

- (i) The company has entered into long term agreement lease agreement for land. The company does not have an option to purchase the leased land at the expiry of the lease period. The unamortized operating lease prepayments As at March 31, 2019 aggregating ₹ 66.84 Lakh (as at March 31, 2018: ₹ 68.42 Lakh) is included in other non current / current assets.
- (ii) The Company has entered into lease arrangements for lease of offices/warehouse generally for a period of 3 years with renewal option on mutual consent, and which can be terminated after lock in period by serving notice period as per the terms of the agreements.

(₹ in Lakhs)		
Particulars	For the year ended 31-March-2019	For the year ended 31-March-2018
(i) Information related to leases		
Total of minimum lease payments		
-Not later 1 year	24.56	-
-Later than 1 year and not later 5 years	28.80	-
-Later than 5 years	-	-
(ii) Lease Payment recognized in the statement of profit and loss for the year	19.16	28.25

**(B) Finance Leases**

The Company has taken certain vehicles and equipment's under finance lease. There is an option to purchase the assets at the end of the lease terms. The obligation under finance leases are secured by the leased assets. There are no restrictions such as additional debt and further leasing imposed by the lease agreement.

Interest rates underlying all obligations under finance leases are fixed at 9.75% p.a.

**Finance Lease Liabilities**

(₹ in Lakhs)				
Particulars	As at	Total minimum lease payments outstanding	Future finance charges	Present Value of minimum lease payments
Not later than 1 Year	March 31,2019	18.24	3.38	14.86
	March 31,2018	21.83	4.79	17.05
Later than 1 year and not later than 5 years	March 31,2019	34.46	2.77	31.69
	March 31,2018	51.53	6.15	45.38
Later than 5 years	March 31,2019	-	-	-
	March 31,2018	-	-	-

**Included in the Financial Statements as**

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
-Current maturities of Finance lease obligations [Refer note 19 ( c)]	14.86	17.05
-Non current borrowings ( Refer note 15)	31.69	46.55



#### 45. RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

##### List of related parties

##### 1. A. Key Management Personnel

S.No.	Name	Designation
1	Mr. Naresh Kumar Bansal	Managing Director
2	Mr. Richi Bansal	Director & CEO
3	Mr. Surender Kumar Sharma	Director
4	Mr. Raj Kumar Malik ( till 31st May-2018)	Chief Financial Officer
5	Mr. Rajeev Kumar Agarwal (W.e.f. 1st June-2018)	Chief Financial Officer
6	Mr. Kapil Datta	Company Secretary

##### B. Non-executive and Independent Directors

S.No.	Name	Designation
1	Mr. Bharat Bhushan Sahny	Independent Director
2	Mr. Rajendra Prasad Khanna	Independent Director
3	Ms. Anju Gupta	Independent Director

##### 2. Entities where key management personnel and their relatives exercise significant influence

S.No.	Entities	Principal activities
1	M/s Advance Hightech Agro Products Pvt. Ltd.	Chemicals Manufacturer
2	M/s Ravi Developers Pvt. Ltd.	Agriculture Goods Producer
3	M/s Pir Panchal Construction Pvt. Ltd., Joint Venture	Erection of Electric Poles
4	M/s Virinder Engineering and Chemical Pvt. Ltd.	Warehouse Renting

##### 3. Relatives of key management personnel where transactions have taken place

S.No.	Name of Relatives	Relationship
1	Mrs. Kumud Bansal	Spouse of Mr. Naresh Kumar Bansal
2	Mrs. Krati Bansal	Spouse of Mr. Richi Bansal
3	Mr. Nikhil Bansal	Son of Mr. Naresh Kumar Bansal
4	Mrs. Kanika Bansal	Daughter-in-law of Mr. Naresh Kumar Bansal

##### 4. The following transactions were carried out with the related parties in the ordinary course of business

(₹ in Lakhs)

S.No.	Name of transaction/ relationship	Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b>	<b>Payment of Rent</b>		
	Mr. Naresh Kumar Bansal	3.00	12.00
	Ms. Kumud Bansal	6.00	6.00
<b>II</b>	<b>Payment of Interest</b>		
	M/s Advance Hightech Agro Products Pvt. Ltd.	3.15	3.13
<b>III</b>	<b>Sales of finished goods</b>		
	M/s Virinder Engineering and Chemicals Pvt. Ltd.	6.79	-
<b>IV</b>	<b>Unsecured Loan given</b>		
	Pir Panchal Constuction Pvt. Ltd Joint Venture	175.00	65.00
	M/s Ravi Developers Pvt. Ltd.	0.50	-
<b>V</b>	<b>Unsecured Loans received back</b>		
	Pir Panchal Constuction Pvt. Ltd Joint Venture	50.00	-
<b>VI</b>	<b>Unsecured Loan taken</b>		
	Mr. Naresh Kumar Bansal	750.00	-
	Mr. Richi Bansal	132.98	-
	Mr. Nikhil Naresh Bansal	2.85	-



S.No.	Name of transaction/ relationship	Year ended March 31, 2019	Year ended March 31, 2018
<b>VII</b>	<b>Unsecured Loans repaid</b>		
	Mr. Naresh Kumar Bansal	358.67	-
	Mr. Richi Bansal	92.83	-
	Mr. Nikhil Naresh Bansal	2.85	-
<b>VIII</b>	<b>Payment of Compensation*</b>		
	Mr. Richi Bansal	34.00	30.40
	Mr. Nikhil Bansal	6.80	5.40
	Mrs.Krati Bansal	0.52	-
	Mrs.Kanika Bansal	0.52	-
	Mr. Surender Kumar Sharma	3.20	3.12
<b>IX</b>	<b>Director sitting Fee's</b>		
	Mr. Bharat Bhushan Sahny	0.30	0.50
	Ms. Anju Gupta	0.30	0.50
	Mr. R P Khanna	0.10	-

(₹ in Lakhs)

S.No.	Name of transaction/ relationship	Year ended March 31, 2019	Year ended March 31, 2018
	<b>Payment of Compensation*</b>		
I	Mr. Naresh Kumar Bansal	40.00	36.40
II	Mr. Raj Kumar Malik # (1st April-18 till 31st May-18)	1.48	9.05
III	Mr. Rajeev Kumar Agarwal # (w.e.f. 1st June-18)	17.06	-
IV	Mr. Kapil Datta	4.64	4.73

\* A. Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident and other funds and staff welfare expenses).

B. The liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

C. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

# Mr. Rajeev Kumar Agarwal has joined as a CFO w.e.f. 1st June-2018 replacing to Mr. Raj Kumar Malik with that effect.

(₹ in Lakhs)

Name of transaction/ relationship	Year ended March 31, 2019	Year ended March 31, 2018
<b>Receivable amount of unsecured loan</b>		
M/s Pir Panchal Construction Pvt. Ltd., JV	190.00	65.00
M/s Ravi Developers Pvt. Ltd.	0.50	-
<b>Payable amount of unsecured Loans &amp; Interest</b>		
M/s Advance Hightech Agro Products Pvt. Ltd.	55.00	53.16
Mr. Naresh Kumar Bansal	391.33	-
Mr. Richi Bansal	82.98	42.83
<b>Payable amount of Rent</b>		
Ms. Kumud Bansal	-	6.75

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.



## 46. EARNING PER SHARE (EPS)

(₹ in Lakhs)

S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a.	Net Profit / Loss after tax as per Profit and Loss for basic EPS	855.35	1,273.51
b.	Add: Interest Expenses on potential equity shares (net of tax)	-	-
c.	Net Profit / Loss after tax as per Profit and Loss for diluted EPS	855.35	1,273.51
d.	No of Equity Share Outstanding at the end of the year	16,794,000	19,780,800
e.	Weighted Average No. of Equity Shares for basic EPS	16,794,000	16,708,630
f.	Weighted Average No. of Potential Equity Shares	-	-
g.	Weighted Average No. of Equity Shares for diluted EPS	16,794,000	16,708,630
h.	Basic EPS per Share (in ₹)	5.09	7.62
i.	Diluted EPS per Share (in ₹)	5.09	7.62
j.	Face Value Per share (in ₹)	5.00	5.00

The Company does not have any potential equity shares and thus, weighted average number of equity shares for the computation of Basis EPS and Diluted EPS remains same.

47. The Company has issued and allotted on preferential basis 15,00,000 Fully Convertible Warrants at a price of ₹122/- each to Persons belonging to Promoter Category on March 29, 2017 against which the 25% upfront money was received from them to the Company on or before 29.03.2017. Out of which 6,00,000 Fully Convertible Warrants and 1,60,000 Fully Convertible Warrants were converted into equivalent number of equity shares on 12.05.2017 and 27.05.2017 respectively on receipt of balance 75% money from the allottee(s) in respect of said warrants.

As per Regulation 75 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the convertible securities of the issuer shall be converted within eighteen months from the date of their allotment. By virtue of this, the remaining 7,40,000 Fully Convertible Warrants must be converted on or before 28.09.2018.

The allottee has not made payment of balance 75% of money in respect of 7,40,000 Fully Convertible Warrants on or before 28.09.2018, therefore by virtue of Regulation 75 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; 7,40,000 fully convertible warrants be and are cancelled and 25% upfront money of 7,40,000 warrants forfeited.

Therefore a sum of ₹ 225.70 Lakhs earlier received and disclosed as money received against share warrants under Other Equity has been forfeited and shown as retained earning under Other Equity.

48. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

49. Notes 1 to 47 are annexed to and form an integral part of financial statements.

As per our attached report of even date

**For Alok Mittal & Associates**  
Chartered Accountants  
Firm Reg. No. 005717N

Sd/-  
**Alok Kumar Mittal**  
Partner  
Membership No. 071205

Place : Ghaziabad, UP

Date : May 28, 2019

**For and On Behalf of the Board**

Sd/-  
**Naresh Kumar Bansal**  
(Managing Director)  
DIN: 00119213

Sd/-  
**Rajeev Kumar Agarwal**  
(Chief Financial Officer)

Sd/-  
**Richi Bansal**  
(Director)  
DIN: 00119206

Sd/-  
**Kapil Datta**  
(Company Secretary)



## FORM NO. AOC-1

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

### Part A-Subsidiaries

(₹ In Lakhs)

Particulars	As at March 31, 2019	
	Lepakshi Tubes Pvt. Ltd.	RST International Trading FZE
Reporting Period	Year Ended March 31, 2019	Year Ended March 31, 2019
Share Capital	490.00	90.20
Reserves & Surplus	(159.39)	678.69
Total Assets	2891.58	891.36
Total Liabilities	2891.58	891.36
Investments	-	-
Turnover	5,187.94	4626.33
Profit / (Loss) before taxation	(256.23)	185.51
Provision for Taxation	145.39	-
Profit / (Loss) after Taxation	(110.84)	185.51
Proposed Dividend	-	-
% of Shareholding	100%	100%

### Part B-Associates and Joint Venture

(₹ In Lakhs)

S.No.	Name of Joint Venture	Pir Panchal Constructions Pvt. Ltd.- Joint Venture
1	Latest audited Balance sheet date	March 31, 2019
2	Shares of Associate/ Joint Ventures held by the company on the year end	
	No.	-
	Amount of investment in Associates/ Joint Ventures	452.73
	Extent of Holding %	25%
3	Description of how there is significant influence	We don't have significant influence on Board
4	Reason why the associate / Joint Venture is not consolidated	Ind AS 28 does not allow to consolidate the associate / Joint Venture
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	452.73
6	Profit / Loss for the year (after tax)	1008.03
I	Considered in Consolidation	252.01
II	Not considered in Consolidation	756.02

**For and on behalf of the Board of**

Sd/-

Rama Steel Tubes Limited  
Naresh Kumar Bansal  
Chairman & Managing Director  
Din: 00119213

Place: Ghaziabad, UP  
Date: May 28, 2019



## NOTICE

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the members of Rama Steel Tubes Limited will be held on Monday, the 30<sup>th</sup> day of September, 2019 at 11:30 a.m. at JP Hotel & Resorts, 6B, Patparganj, I.P. Extension, NH-24, Behind CNG Petrol Pump, Delhi-110092, to transact the following business:-

### Ordinary Business

#### Item no. 1 – Adoption of financial statements

To consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March 2019, the reports of the Board of Directors and Auditors thereon.

#### Item no. 2 – Appointment of Director in place of those retire by rotation

To appoint a Director in place of Sh. Richi Bansal (DIN: 00119206), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

#### Item no. 3 – Approval of remuneration of the Cost Auditors for the financial year ending March 31, 2020

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

“Resolved that, pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

#### Item no. 4 – Ratification of continuation of Sh. Bharat Bhushan Sahny (DIN: 00014334) as Non-Executive Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company be and is hereby accorded for continuation of the directorship of Sh. Bharat Bhushan Sahny (DIN: 00014334) aged 76 years, upto November 17, 2019”

#### Item no. 5 – Re-appointment of Sh. Bharat Bhushan Sahny (DIN:00014334) as Non-Executive Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee, consent be and is hereby accorded for the re-appointment Sh. Bharat Bhushan Sahny (DIN:00014334), aged 76 years, as the Independent Non-Executive Director of the Company, for the second term of 5(five) consecutive years from November 18, 2019 to November 17, 2024.”

#### Notes:

1. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Saturday, September 28, 2019 to Monday, September 30, 2019.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for





receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

6. Information and other instructions relating to e-voting are as under :
- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulation 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - ii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - iii. The Board of Directors of the Company has appointed M/s. Arun Kumar Gupta & Associates, Company Secretaries, New Delhi as Scrutinizer to scrutinize the Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  - iv. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2019.
  - v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 23, 2019 only shall be entitled to avail the facility of remote e-voting / Poll.
  - vi. The e-voting period commences on Friday, 27<sup>th</sup> September, 2019 (9.00 a.m. IST) and ends on Sunday, 29<sup>th</sup> September, 2019 (5.00 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 September 23, 2019 i.e. the cut-off date.
  - vii. The instructions and other information for e-voting are as under:

**The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

### **Step 1 : Log-in to NSDL e-Voting system**

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details will be as per details given below :

- a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
- b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
- c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 112045 then user ID is 101456001\*\*\*).

#### **1. Your password details are given below:**

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is



- your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

"**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of

shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for shareholders:

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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail (**csarungupta@gmail.com**) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. 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 User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23, 2019, may obtain the login ID and password by sending a request referring the Company name (i.e., Rama Steel Tubes Limited) along with the DP and Client ID Particulars to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall be placed on the website of the Company.

By order of the Board of Directors

Date: August 13, 2019  
Place : Ghaziabad, UP

Sd/-  
NARESH KUMAR BANSAL  
Chairman & Managing Director

## Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item no. 3 to 5 of the accompanying Notice:



**Item no. 3**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Subodh Kumar & Co., Cost Accountants, New Delhi (Firm Registration No. 104250 as Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2020 at a remuneration of ₹35,000/- excluding applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

**Item no. 4 & 5**

Sh. Bharat Bhushan Sahny is a Non-Executive Independent Director of the Company. He holds the office of Independent Director for a period of five consecutive years for a term of upto November 17, 2019 ("first term"), as approved by the Members of the Company in their 41<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September 2015.

Pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Applicable w.e.f. April 1, 2019), the Company is required to take approval of the Members by means of a Special Resolution for continuation of Directorship of Sh. Bharat Bhushan Sahny, who is aged 76 years by giving justification thereof. The resolution is accordingly recommended for ratification of approval of the Members by means of a Special Resolution.

Sh. Bharat Bhushan Sahny had graduated in commerce from Sri Ram College of Commerce, Delhi. In 1962, he joined the stock broking business. He also held the position of Director on the Board of Delhi Stock Exchange for 27 years. He also held

the position of Vice President and President in "DSE" and was instrumental in getting online Trading started in "Delhi Stock Exchange". During his tenure as "President" of Delhi Stock Exchange, the daily turnover touched record time high at ₹1000 crores. He also held the position of Chairman of "Investors Awareness Committee" for many years and was instrumental in promoting investment culture in North India by conducting investor awareness seminars at multiple places.

Keeping in view vast experience of Sh. Bharat Bhushan Sahny it will be in the interest of the Company to continue his directorship. Accordingly, Board recommends his continuation as a Director of the Company in the category of Non-Executive Independent Director upto November 17, 2019.

Further, the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 signifies intention to propose Sh. Bharat Bhushan Sahny as a candidate for the office of Independent Director of the Company. Sh. Bharat Bhushan Sahny has confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee, consent be and is hereby accorded for the re-appointment Sh. Bharat Bhushan Sahny (DIN:00014334), as the Independent Non-Executive Director of the Company, for the second term of 5(five) consecutive years from November 18, 2019 to November 17, 2024 through Special Resolution Pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as age of Sh. Sahny exceeds 75 years .

Except Sh. Bharat Bhushan Sahny, Director and his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 & 5 of the Notice.

By order of the Board of Directors

Sd/-

Date: August 13, 2019  
Place : Ghaziabad, UP

NARESH KUMAR BANSAL  
Chairman & Managing Director

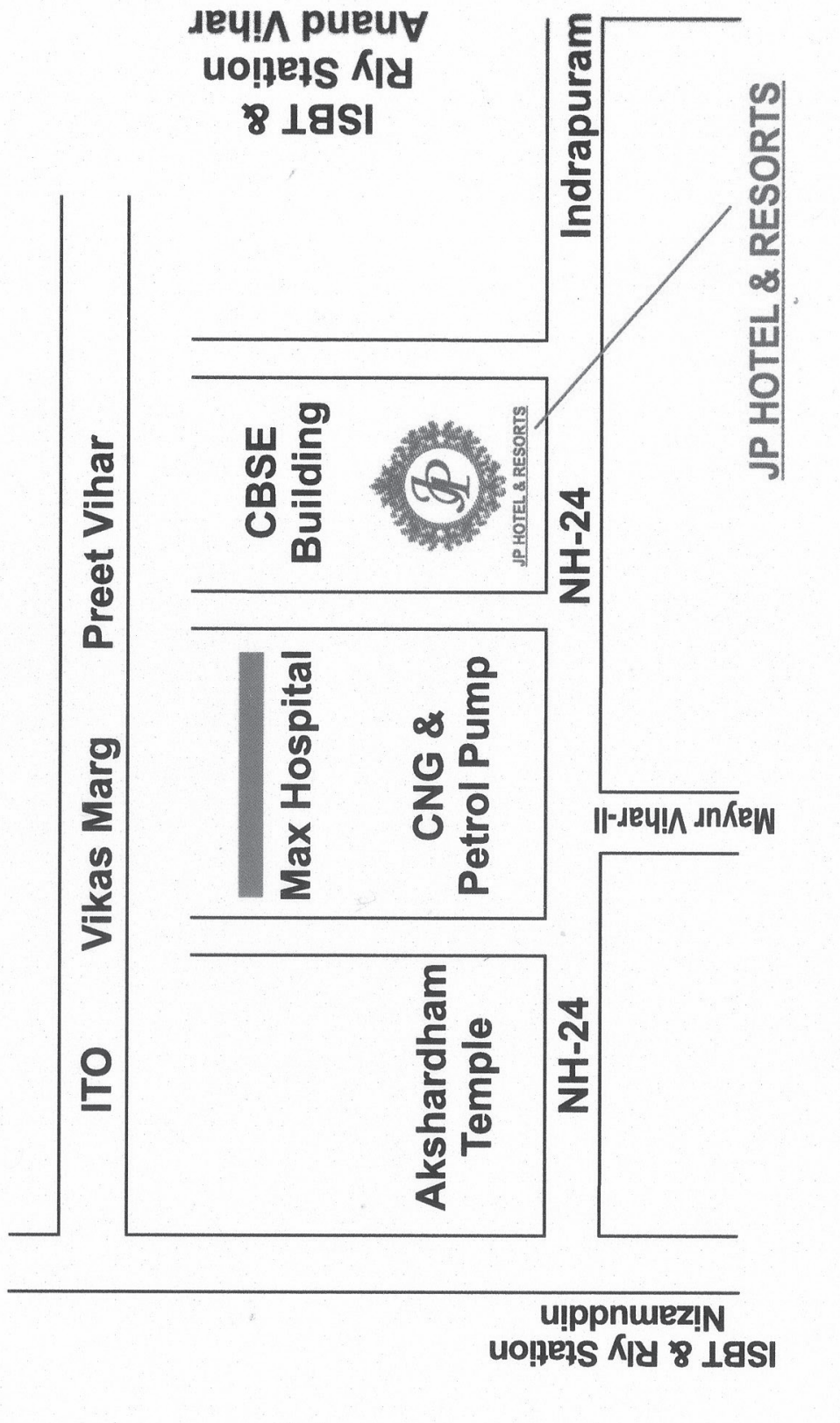


**DETAILS PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION 2015 AND 1.2.5 OF SECRETARIAL STANDARD (SS-2) ON GENERAL MEETING AS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:**

Name of Director	Sh. Richi Bansal	Sh. Bharat Bhushan Sahny
Age	39	76
DIN	00119206	00014334
Date of first appointment on the Board	01.05.2007	18.11.2014
Qualification	BSc(H) in Management from Bradford University, U.K.	Graduate from Sri Ram College of Commerce, University of Delhi
Experience in Specific Functional Area	Experience of more than 12 years in Steel Tube Industry	Sh. Sahny held the position of Director on the Board of Delhi Stock Exchange for 27 years. He also held the position of Vice President and President in "DSE" and was instrumental in getting online trading started in "Delhi Stock Exchange".
Directorship held in other Companies	LEPAKSHI TUBES PRIVATE LIMITED ATI PROPERTIES PRIVATE LIMITED TR OIL & GAS PRIVATE LIMITED	APOLLO TRICOAT TUBES LIMITED SAHNY SECURITIES PRIVATE LIMITED
Chairman/Member of Committees of Board of other Companies of which he is a Director	NIL	APOLLO TRICOAT TUBES LIMITED <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Nomination &amp; Remuneration Committee – Chairman</li> <li>Corporate Social Responsibility Committee- Member</li> </ul>
No. of Shares held	1443000	NIL
Terms and conditions of re-appointment	Director Liable to retire by rotation	Appointment for period of 5 years
Last Drawn Remuneration incl. Sitting Fees for Board & Committee(s) Meeting (2018-19)	Salary - ₹34 Lakhs	Sitting fees - ₹0.30 Lakhs
Relationship with other directors and Key Managerial Personnel	Son of Sh. Naresh Kumar Bansal	N.A.
Number of Board Meetings attended during the year	6 (Six)	4 (Four)



**AGM Venue:**  
JP HOTEL & RESORTS  
6B, Patparganj, I.P. Extension, NH-24, Behind CNG Petrol Pump, Delhi-110092





**RAMA STEEL TUBES LIMITED**  
CIN: L27201DL1974PLC007114

**Regd. Office: A-15, 3rd Floor, Swasthya Vihar, New Delhi-110092.**

**ATTENDANCE SLIP**  
**45<sup>th</sup> Annual General Meeting**

Regd. Folio/DP & Client ID No.: ..... No. of Shares Held: .....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 45th Annual General Meeting of the Company at JP Hotel & Resorts, 6B, Patparganj, I.P. Extension, NH-24, Behind CNG Petrol Pump, Delhi-110092 on Monday, September 30, 2019 at 11:30 a.m.

Member's Name : .....

Proxy's Name : .....

Member's/Proxy's Signature .....

- Note : 1. Please fill this attendance slip and hand over at the entrance of the meeting hall.  
2. Members/Proxy Holders/Authorized Representative are requested to show their Photo ID Proof for attending the meeting.

.....Please tear here.....

**RAMA STEEL TUBES LIMITED**  
**Regd. Office: A-15, 3rd Floor, Swasthya Vihar, New Delhi-110092**  
**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]

Name of the member(s): Registered address:	E-Mail Id: Folio No/Client Id& DP ID :
-----------------------------------------------	-------------------------------------------

I/We, being member(s) holding.....shares of the above named company, hereby appoint

1. Name : ..... Address.....  
..... Email ID : ..... Signature : .....or failing him
2. Name : ..... Address.....  
..... Email ID : ..... Signature : .....or failing him
3. Name : ..... Address.....  
..... Email ID: ..... Signature:.....as my/our proxy to attend

to attend and vote (on poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 11:30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of financial statements		
2.	Appointment of Director in place of those retire by rotation		
<b>Special Business</b>			
3	Approval of remuneration of the Cost Auditors for the financial year ending March 31, 2020		
4	Ratification of continuation of Sh. Bharat Bhushan Sahny (DIN:00014334) as Non-Executive Independent Director of the Company		
5	Re-appointment of Sh. Bharat Bhushan Sahny (DIN:00014334) as Non-Executive Independent Director of the Company		

Signed this .....day of .....2019

Affix  
revenue  
stamp of  
Re. 1

Signature of the Proxy holder(s)

Signature of the shareholder(s)

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



# Timeline of Progressing with Excellence

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RSTL sets up a manufacturing unit at Sahibabad, UP with installed capacity of 10,000 MTPA, connected with Delhi's Roads and Railways network.

**1981**

**1984**

Manufacturing capacity increased to 25,000 MTPA at the Sahibabad unit.

New product venture with setting up of manufacturing plant for galvanized black pipes. RSTL receives contracts from DGS&D and various other government departments.

**1987**

**1990**

Larger diameter pipes start manufacturing with IS specification. Begins use of brand name 'TTT Rama' and 'Gujarat Rama' as trademarks.

Manufacturing capacity further increased to 36,000 MTPA at Sahibabad, UP.

**1992**

**2001**

Another increase in capacity by 24,000 MTPA.

Khopoli, Maharashtra plant is set up with initial capacity of 36,000 MTPA. Production started in April.

**2015**

**2017**

Khopoli plant capacity doubled and export orders worth ₹ 30 crore were bagged.

**Crossed ₹ 500 Crore mark in Turnover. Sales volumes crossed 1 Lakh MT.**

**2019**

One of India's largest solar energy projects in ERW Pipes segment is setup.





## **Rama Steel Tubes Limited**

**(CIN: L27201DL1974PLC007114)**

Registered Office:

A-15, 3rd Floor, Swasthya Vihar, New Delhi-110092, India

Ph. No.: +91 11 49446661 | Fax No.: +91 11 43656699

E-Mail: [investors@ramasteel.com](mailto:investors@ramasteel.com) | Website: [www.ramasteel.com](http://www.ramasteel.com)