



RAMA STEEL TUBES LTD.

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

CIN : L27201DL1974PLC007114 | AN ISO 9001 : 2015 CO.

Regd. Office : B-5, 3rd Floor, Main Road, Ghazipur, New Delhi (India) - 110096

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February 16, 2022

To

The Manager – Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Symbol: RAMASTEEL	The Secretary BSE Limited, Corporate Relationship Dept., P. J. Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 539309
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Sub: Reply to Clarification sought

Dear Sir/Madam,

This in reference to mail received from National Stock Exchange of India Limited seeking certain clarifications on the Scheme of Amalgamation of Lepakshi Tubes Private Limited with the Company.

In this regard, we would like to clarify the following:

1. Brief details of change in shareholding pattern (if any) of listed entity:

There will be no change in the shareholding pattern of the Transferee Company pursuant to the Scheme as no shares shall be issued by the Transferee Company pursuant to the Scheme.

2. Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.:

The Scheme provides for amalgamation of Lepakshi Tubes Private Limited ('Transferor Company') with and into Rama Steel Tubes Limited ('Transferee Company'). The Transferor Company is a wholly owned subsidiary of the Transferee Company. Hence, no shares are being issued upon the Scheme becoming effective.

Details of the Size and Turnover as on March 31, 2021 (Audited) are as follows:

(in Rs. Lakhs)

Name of the Entity	Networth	Turnover
Rama Steel Tubes Limited	8,846.83	32,571.00
Lepakshi Tubes Private Limited	122.46	4,798.13



Details of Size and Turnover as on December 31, 2021 (Un-audited) are as follows:

(in Rs. Lakhs)

Name of the Entity	Networth	Turnover for the 9 months period ending December 2021
Rama Steel Tubes Limited	9,566.19	32,177.49
Lepakshi Tubes Private Limited	72.92	7,928.20

3. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length":

In terms of General Circular No. 30/2014 dated July 17, 2014, issued by Ministry of Corporate Affairs ("MCA Circular"), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 ("Act"), will not attract the requirements of Section 188 of the Act.

Further, in terms of Regulation 23(5)(b) of SEBI Listing Regulations, any transaction entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, is exempted from the provisions of Regulation 23(2), (3) & (4) of SEBI Listing Regulations relating approvals by audit committee / shareholders etc.

In view of the above, since the Transferor Company is a wholly owned subsidiary of the Transferee Company whose accounts are consolidated with the Transferee Company, which is proposed to be amalgamated with the Transferee Company through the Scheme, requirement of arm 's length criteria is not applicable.

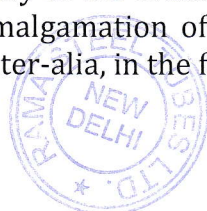
4. Area of business of the entity (ies):

Rama Steel Tubes Limited is engaged in the business of production of ERW black steel pipes & tubes, ERW galvanized steel pipes & tubes, ERW pre galvanized steel pipes & tubes, scaffolding pipes & tubes, swaged/light poles, structural steel products and hollow sections.

Lepakshi Tubes Private Limited is engaged in the business of production of ERW black steel pipes & tubes, ERW pre galvanized steel pipes & tubes, scaffolding pipes & tubes, structural steel products and hollow sections.

5. Rationale for amalgamation/ merger:

It is proposed to consolidate the operations/business of the Transferor Company into the Transferee Company by amalgamation of the Transferor Company with the Transferee Company pursuant to a Scheme of Amalgamation under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The Transferor Company is a wholly owned subsidiary of the Transferee Company within the meaning of the Companies Act, 2013. The amalgamation of the Transferor Company with the Transferee Company would result, inter-alia, in the following benefits:-



- a. The merger of Lepakshi Tubes Private Ltd (Transferor Company) in to Rama Steel Tubes Ltd (Transferee Company) will result in the operational and administrative synergies resulting in to cost optimization.
- b. Consolidation and simplification of the group structure, cost savings/synergies resulting from rationalization, standardization and simplification of business processes.
- c. It is also the intention of the Rama Steel Tubes Ltd management to rationalize the Group Holding structure by way of reduction of number of entities and streamlining the corporate structure of Rama Steel Tubes Ltd.
- d. The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of Rama Steel Tubes Ltd in a more meaningful way and result in improved organizational capability arising from pooling of financial resources.
- e. Avoiding un-necessary duplication of costs of administration, distribution, selling and marketing and reduction in legal and regulatory compliances.
- f. Maximizing the overall shareholders value by strengthening its core competencies.

6. In case of cash consideration amount or otherwise share entitlement/exchange ratio:

The entire share capital of the Transferor Company is held by the Transferee Company.

Upon the Scheme becoming effective, all equity shares held by the Transferee Company in the Transferor Company shall stand cancelled, without any further act or deed.

Accordingly, there is no consideration in the form of cash or otherwise given by the Transferee Company in connection with the Scheme.

Kindly take the same on record.

Thanking you,

For Rama Steel Tubes Limited

K - Datta



(Kapil Datta)

Company Secretary & Compliance Officer

M.: A36851