



Rama Steel Tubes Ltd.

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

CIN : L27201DL1974PLC007114

Regd. Office :

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Date: October 28, 2020

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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Dear Sir,

Sub: Submission of Annual Report for the financial year 2019-20

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 2019-20 along with Notice of the 46th Annual General Meeting of the Company to be held on Friday, November 20, 2020 at 12:30 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The Secretarial Audit Reports of material unlisted subsidiary is also attached.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,

For **Rama Steel Tubes Limited**

K - Datta

Kapil Datta
Company Secretary &
Compliance Officer



Encl.: As above

Building a **RESILIENT** India



Building a **RESILIENT** India



India is known for its undying spirit. And Rama Steel carries the same indomitable character, as it gears to bounce back and help build an Atmanirbhar India.

The spirit to never give up; to put best foot forward, irrespective of circumstances; and to have an eye on present & future plans; are hallmarks of sustainable success. These are times of macro or micro level disruptions, and during such times, the mettle of business acumen, sound fundamentals and vision to excel are put to test.

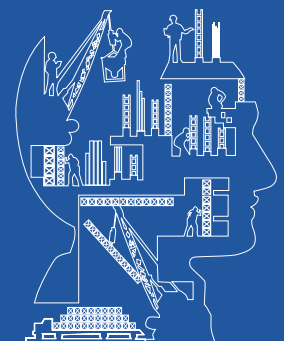
FY20, has been a year of unprecedented challenges for the industry and the economy. Indian economy was already facing challenges. During the year under review we faced fluctuation in raw material prices to the tune of 25-30%. Product demand remained subdued during large part of the year. The sales realizations, too, were under stress. Pan ultimately, we faced the impact of 'lockdown' in aftermath of Covid-19 towards end of the Financial Year which resulted in loss of sales in the last quarter of FY20.

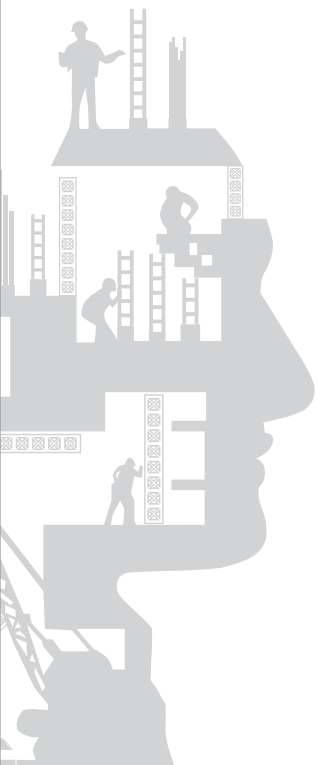
Rama Steel Tubes Limited (RSTL), remained undeterred and resilient against these challenges and continued to execute what is planned for future growth and sustenance, with desired amount of corrective measures. Our actions included expansion of capacities at Khopoli and Lepakshi plants besides technological upgradation at Sahibabad plant.

At RSTL, we build our future blocks on the bedrock of strong foundation. Right from a strong Brand presence as "TTT Rama" in the market to strategic plant locations, wide product range, international presence, strong R&D initiatives, to resolute commitment of the management.

We believe that in present testing times, we have our share of contribution to make to India's core infrastructure while building a sustainable future for ourselves.

Building a Resilient India is truly the way forward for every corporate citizen.





Scan this QR code
to view our digital
annual report

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.



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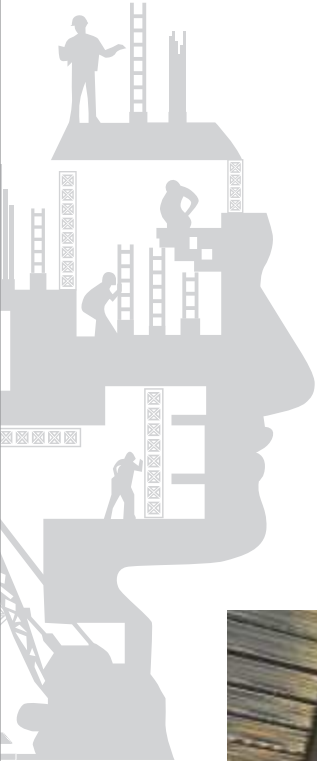
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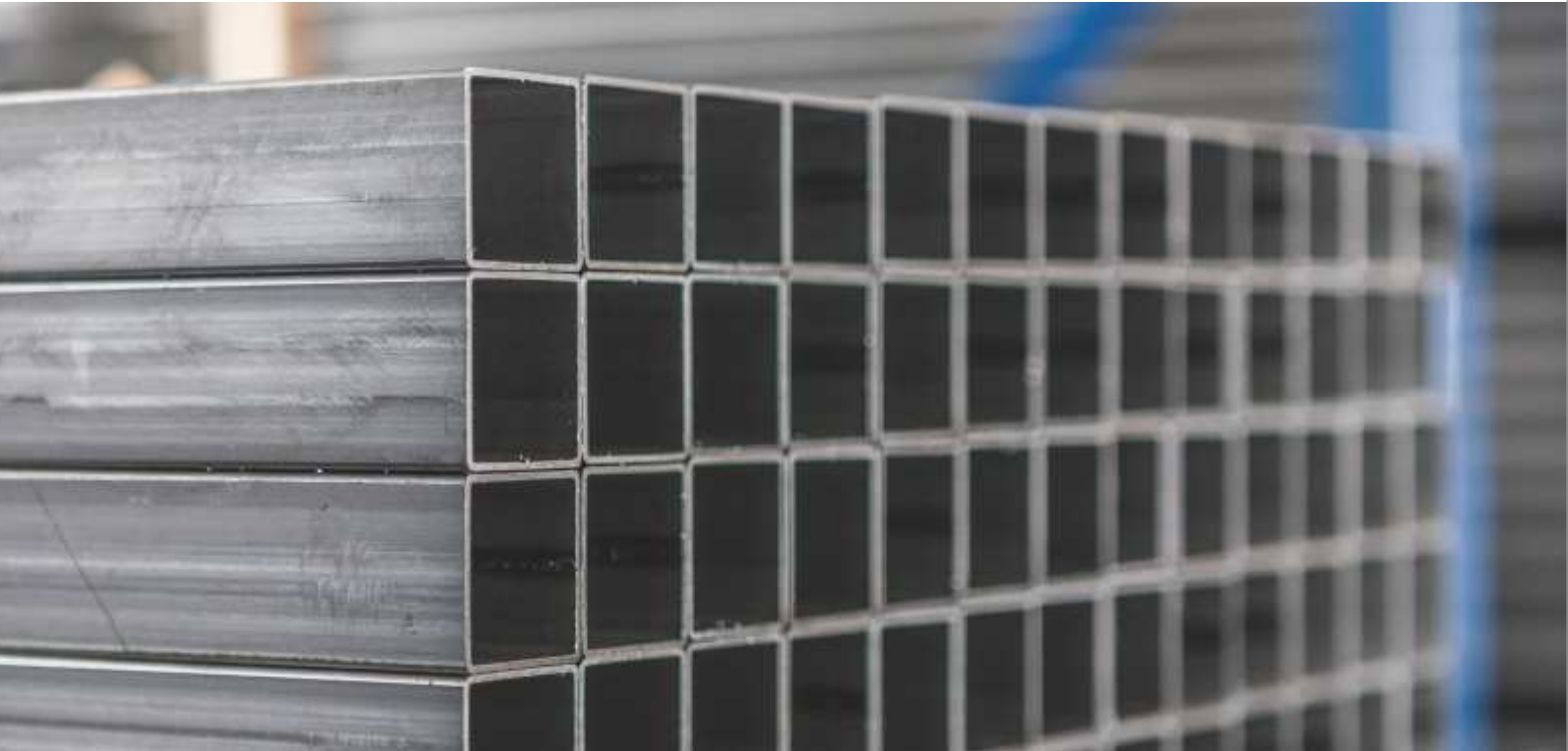
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Building **STEEL** Products for a Resilient India

Nothing builds stronger than what steel does – backbone of a nation's infrastructure. In India, 62% of steel consumption is accounted by Construction and Real Estate Sector, other than railways. Steel contributes 2% to India's GDP. The steel pipes & tubes industry is about ₹50,000 crore in size. Steel Pipes & Tubes are utilized in a wide variety of infrastructure development in sectors like Oil & Gas, Water, Construction and Real Estate.





RSTL, has a wide variety of products to suite the varied needs of nation's infrastructure. Our key products and their usage include:

- **ERW Galvanized Steel Pipes and Tubes:** Utilized in Water Pipelines, Tube Wells, Gas and Oil Pipelines, Cross Country Pipelines.
- **ERW Black Steel Pipes and Tubes:** Oil & Gas, Water, Agriculture etc.
- **Scaffolding Pipes & Tubes:** Handrails, Piling, Sign Poles, Bumpers, Bracings, Towers, Support, Rollers, Casing.
- **Swaged Poles:** Traffic and Street Light Poles.
- **Structural Steel Products:** Hollow Sections for Real Estate, Automobiles.
- **Hollow Sections:** Furniture, Automobiles, Chassis, Pallets, Staircases, Hydraulic Platforms, Columns, Trolleys and more.

Adding to nation building with truly resilient steel products, we are building a much more resilient steel company. Over the previous the years, we have developed 300+ SKUS to our portfolio.

We are standing steadfast to our mission of adding might to our manufacturing. Our Khopoli plant expansion was about to get completed towards end of FY20, which we are now aiming to finish towards second half of FY21 to take its capacities from 72,000 MTPA to 1,32,000 MTPA. We are taking up technological upgrade of the mill at our Sahibabad (UP) plant, to be completed in FY21. Our Lepakshi plant's capacity enhancement are also underway to take the capacities in Southern India from 36,000 MTPA to 72,000 MTPA.

Our **PRODUCTS**



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



ERW Galvanized Steel Pipes and Tubes.

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



Scaffolding Pipes and Tubes

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





Our diversified product portfolio helps us contribute towards the nation's infrastructure development requirements. Our product applications have usage in various industries, including automobiles, infrastructure, real estate and furniture.

Following is how and where we contribute to nation building with our products.



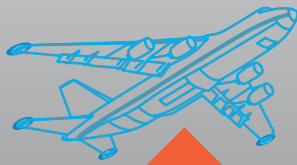
Swaged Poles
Widely Used For:
Traffic and
Street Light Poles

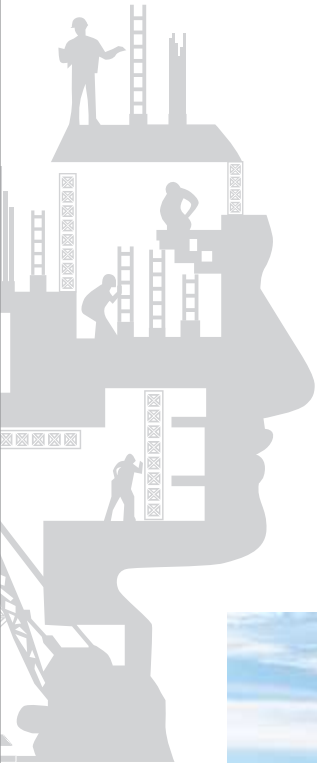
Structural Steel Products

Widely Used For: Hollow Sections for Real Estate, Automobiles



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





Adding **VALUE** to Steel for a Resilient India

A continuous value addition to our customer's needs is what we always strive for. For us, it is beyond product transactions, we aim to give solutions for customers' needs.

The consistent product R&D we do, brings highest quality standards in our products. Recently, at our Khopoli facility we added ERW Pipes in an upgraded and introduced a much larger size of upto 8 inches which earlier was only upto 2.5 Inches. The product has good market potential and encourages us to always keep adding value to our products.





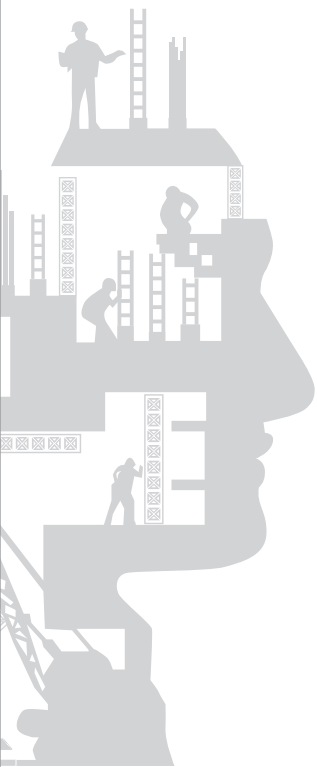
As a move towards greater customer engagement and gaining larger part of their construction spends, we also work on projects for our clients. We take up projects on end-to-end solutions basis which goes beyond just supplying products. We take up complete project execution wherein we execute the project for clients and thereby offer integrated solution encompassing our products and services to execute projects. In such scenarios, this proposition is perceived as a win-win situation for both the parties – a customer gets one-stop-solution and manufacturer gets larger share of customer spends and better margins.

Over the years, we have executed 400+ projects. The products used in these projects included our own products such as ERW Galvanized Steel Pipes, ERW Black Steel Pipes, Swaged Poles, Structural Steel Products and Hollow Sections. With a lot of hard work and dedication, we have been able to build a reputation as a trustworthy player. This gets testified with the diversity, scale and customer list where we work on project basis.

Some of our major clients for projects alongwith include:

- **BSES Rajdhani Power Limited (BSES)**
- **Gujarat Gas Limited**
- **J&K Rural electrification**
- **Purvanchal Vidyut Vitran Nigam Limited**
- **UP & Utrakhnad Peyjal Nigam**
- **HPCL Bhatinda & Manglore Refinery Project**

Our endeavours to add value to our offerings continues relentlessly. We believe that building a resilient India is an opportunity to join hands and grow together for our customers and players like RSTL.



Our **PROJECTS**

With end-to-end project execution capabilities and track record, we truly fulfil our mission to add value to our customer deliveries. Beyond just making products available, we execute projects for our customers and have a revered list of reputed names on our client roster.



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-Electification in Noida
Products Used-Earthing electrodes & Steel Tubular Poles



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



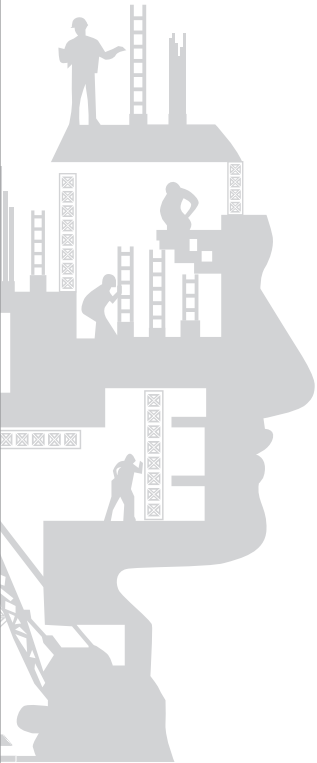
HPCL Bhatinda & Manglore Refinery Project
Project-Refinery Project
Products Used-Pipes



BSES Yamuna Power Limited
Project-Earthing Electrodes
Products Used-GI Pipes & Pole



Himachal Pradesh State Electricity Board Limited
Project-Village & Highway Electrification
Products Used-Steel Tubular Poles



Seizing **OPPORTUNITIES** of Growth for a Resilient India

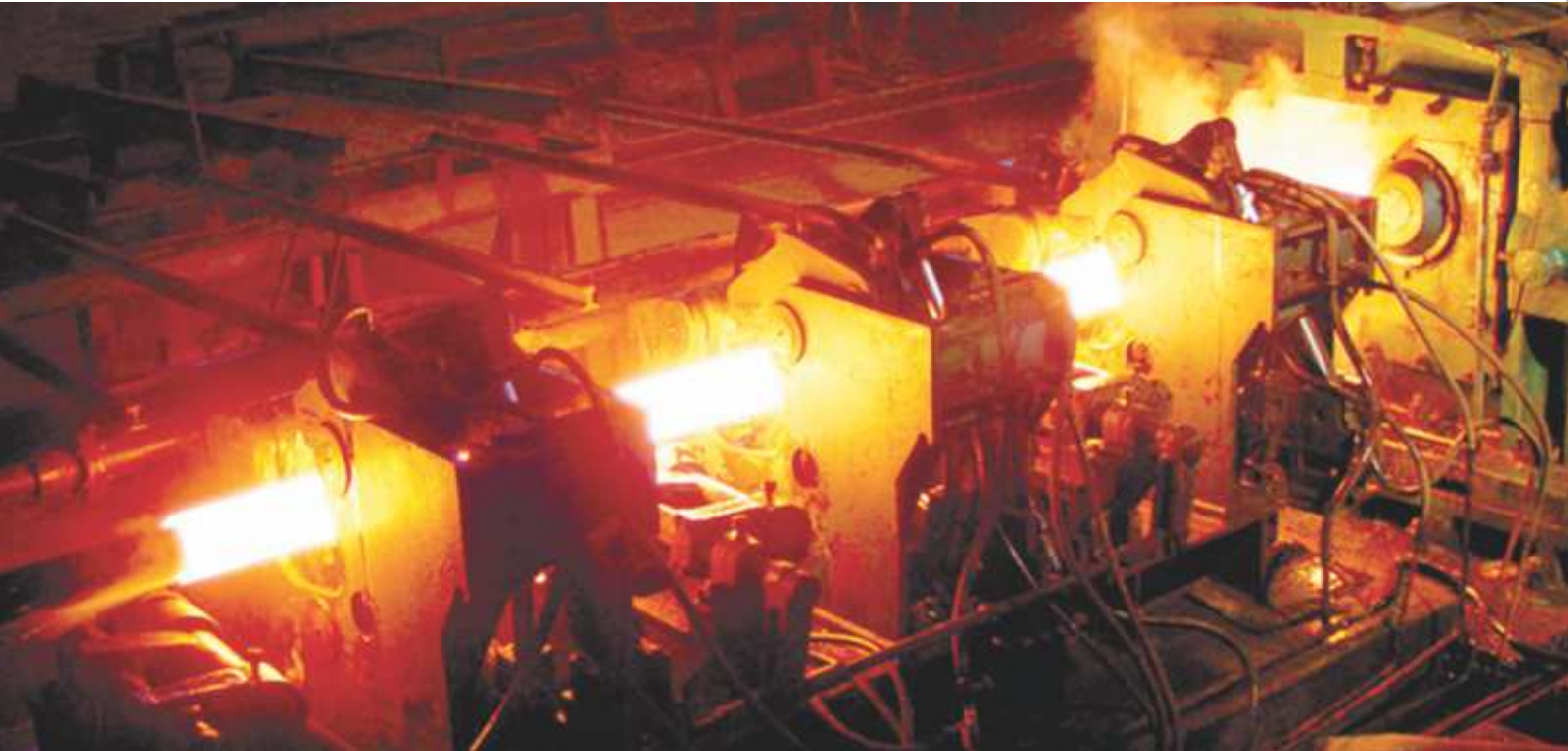
India, as a developing country presents us with immense opportunities to grow. As per World Steel Association (WSA), India stood as second largest crude steel producer in the world. Having a 2% contribution to India's GDP, steel industry employs 2.50 million people directly and indirectly. India's finished steel consumption is estimated to have grown to 100 MnT and likely grow 2.3 times to 230 MnT by 2030-31. And as at end of FY20, India remained net exporter of steel.

On the other hand, the Global Steel Pipes & Tubes industry was pegged to be USD 141 Bn in 2018, estimated to grow at 9% CAGR between 2019-2025 with Oil & Gas industry being biggest contributor at 49.9%. As per CRISIL, the Indian Steel Tubes & Pipes Industry is estimated to be worth ₹ 50,000 crores.

With above in perspective, there have been a number of policy and structural reforms or measures which the present Central Government has been taking which provide the Country's steel industry with huge opportunities for growth. To begin with the 'Make in India' initiative is one major movement which will drive growth prospects for domestic steel manufacturers.

The other such policy measures include:

1. The Government has an impressive vision for increasing Per Capita Steel consumption from 74 KG at present to 160 KG by FY31 as per National Steel Policy 2017. Besides, a major thrust on expanding Greenfield project to the extent of 25-30 MnTPA
2. The country has been able to reduce steel imports to the tune of ` 20,000 Crores after the advent of DMISP or Domestically Manufactured Iron and Steel Products Policy in 2017
3. A 100% FDI has been allowed in Indian steel section under automatic route
4. To boost R&D in the steel sector, the Government as set out various programs and policies like approving 26 projects for upto ₹161 crores financial assistance to promote R&D. Setting up of Steel Research & Technology Mission of India (SRTMI) with an initial corpus of US\$ 30.89 million. It has issued necessary direction to the steel companies to frame a strategy for allocating at least 1% of their sales turnover, on R&D



As a steel pipes and tubes manufacturing Company, our prospects of growth stem from a number of programs and policies which are rolled-out or are in the unveiling stage. A few of these are:

1. Demand for ERW Pipes is expected to grow at 8-10% over next five years under the Government's thrust on infrastructure development
2. Infrastructure boosting programs such as:
 - **Bharat Mala Pariyojna:** National Highway Development Program
 - **Smart Cities:** Developing 100 Smart Cities
 - **City Gas Distribution Projects:** Recently awarded CGD license will require at least 10,000-15,000 km per annum of pipes by FY28-29. This will unfold an opportunity of over ₹ 5000 crore per annum for next 10 years]
 - **Pradhan Mantri Awas Yojna:** Housing for All by 2022
 - **Sagar Mala Pariyojna:** Port connectivity development program
 - **Renewable Energy:** Target to reach 100 GW
 - **PM Krishi Sanchar Yojna:** For agricultural development
 - **DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojana) / Saubhagya Yojna:** For 24x7 electricity to the last mile
 - **Swachh Bharat Abiyaan:** Making India a clean country
 - **Access to basic sanitation:** Making India open defecation free

RSTL's present strengths to manufacture ERW Black and Galvanized Pipes puts the Company in a high opportunity scenario.

Financial HIGHLIGHTS

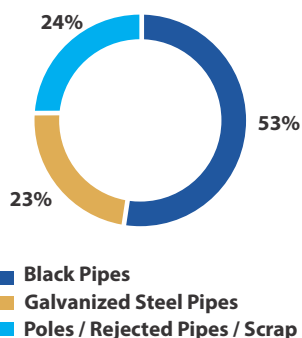
₹ In Lakhs

Particulars	2018	2019	2020
Total Revenue	38,132.24	50,678.66	35,645.96
EBIDTA	2,727.60	2,152.96	1,538.17
PBT	1,844.72	939.34	284.94
PAT	1,273.50	855.35	155.50
Sale Volume (in M.T.)	83,977.324	1,00,148.546	97,434.320
EPS ₹	7.62	5.09	0.93
Net Worth	7,874.05	8,700.94	8,856.45

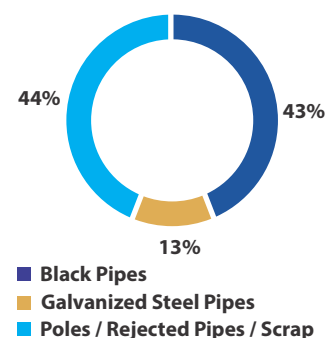
Ratio in %

EBIDTA%	7.15%	4.25%	4.32%
PBT%	4.84%	2.46%	0.75%
PAT%	3.34%	1.69%	0.44%
ROI/ROCE	15.14%	8.53%	1.45%
ROE	19.29%	10.90%	1.79%
Sales Value Growth	34.07%	32.90%	-29.66%
Sales Volume Growth	34.46%	19.26%	-2.71%

Product Segment-Wise Contribution (%) FY19

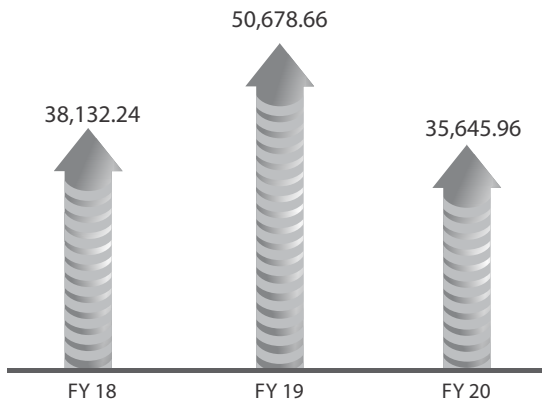


Product Segment-Wise Contribution (%) FY20

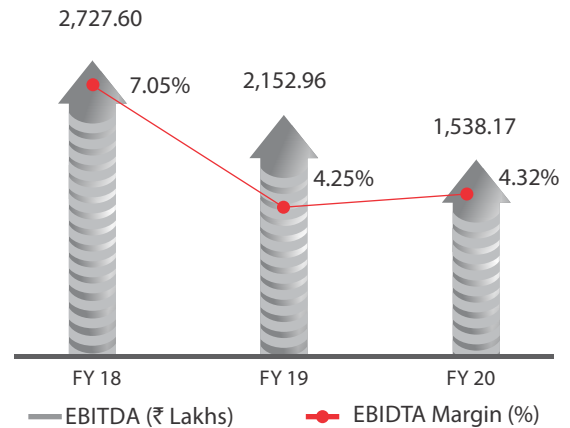




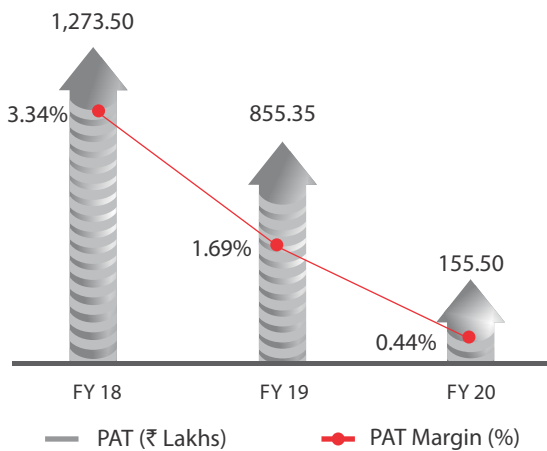
Total Revenue (₹ Lakhs)



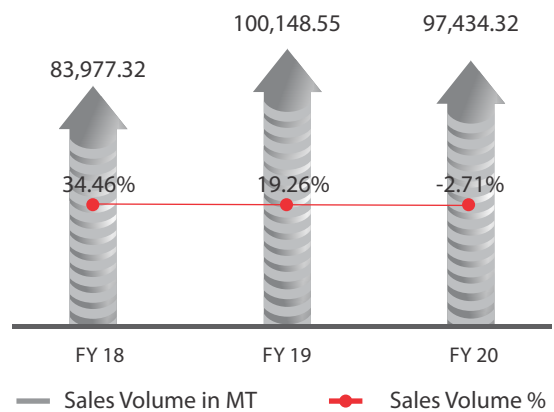
EBIDTA (₹ Lakhs) & EBIDTA Margin (%)



PAT (₹ Lakhs) & PAT Margin (%)



Sales Volume (MT) & Sales Volume (%)



Quarterly Performance FY 2019-20

₹ In Lakhs

Particulars	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Total Revenue	10,065.31	8,229.59	8,809.84	8,541.22
EBIDTA	520.49	93.50	366.65	542.76
PBT	173.84	-183.10	39.84	255.90
PAT	148.50	-116.60	56.13	69.02
Ratio in %				
EBIDTA %	5.17%	1.14%	4.16%	6.35%
PBT%	1.73%	-2.22%	0.45%	3.00%
PAT%	1.48%	-1.42%	0.64%	0.81%



From the desk
of **CHAIRMAN**
& Managing
Director



Dear Shareholders,

It gives me immense pleasure to share with you an update on performance of our Company for the FY19-20. Although it has been a challenging year, as always we worked relentlessly to offer solutions that deliver enhanced value to customers, investors and stakeholders. Viewed in the context of the challenges, we were able to make considerable progress across the business.

Economic Developments

The global pandemic and consequent lockdowns are having a devastating effect on lives, occupations and wellbeing of people at large. IMF expects the world economy to contract by 4.9% in the year 2020, worsen than 2008 global financial crises. The growth is expected to rebound and increase by 5.4% in 2021 on the back of swift policy measures.

Economic activities in India are picking up across the sectors, reflecting improved business sentiment on the back of easing of lockdown restrictions. Rural economy is poised to perform well aided by limited pandemic impact and stimulus measures focused on increasing rural income and consumption. Lower crude oil price, favourable trade balance, normal monsoon, accommodative monetary stance and fiscal measures are likely to support economic recovery in India.

Industry Updates

Steel intensive construction is prevalent across the globe and an increase in steel use is strongly correlated with an economy's GDP growth. World steel production (excluding China) declined amid weaker demand but Chinese steel production reached all-time high in May 2020. The steel industry in India is well established and has recorded a steady growth over the past five years. Imposition of nationwide lockdown in India severely impacted manufacturing activities and steel using industrial sectors resulting into fall in demand and increase in inventory levels. According to world steel association, India's demand for steel in 2020 is estimated to decline by 18% due to Covid 19 impact and is expected to rebound by 15% in 2021. The recovery in India's steel demand is expected to improve gradually with Government of India's focus on Infrastructure, Railways, Housing for All, restarting Road Projects and acceleration in rural economy.



Performance Overview

RSTL has established itself as pioneer and leading manufacturers in the steel tube industry. Our Company is continuously striving to improve its performance by increasing sales, share of value-added products, innovating new products and aggressive cost optimization on a continual basis. The Government's focus on 'Atmanirbhar Bharat' will aid in boosting domestic steel consumption. RSTL is scaling up its production in tandem with the improving market demand and is committed to continuously enhance its performance. Our Company has already started reaping benefits of newly set up manufacturing facility in Andhra Pradesh. New capacity enhancement of 36000 MTPA at Andhra Pradesh unit has also been planned during FY20-21 in order to cater the diversified demand in southern region. The total installed capacity will be 72000 MTPA in the southern region after its successful implementation. The capacity expansion at Khopoli, Mumbai plant by 60,000 MTPA is in the final stage of completion. Our Company has also started Mill Upgradation at its Sahibabad plant with new technology, which will help in expanding efficiency level, the product basket and venturing into new markets. Overall, we are on the verge of completing our current capital expenditure cycle and achieve multi-fold growth, both in terms of earnings and capacity.

Our long term value creation is based on strong foundation that we have built. To begin with, our plants are placed in strategic locations, in close proximity to raw material sources. Additionally, our diversified product portfolio contains a niche product including ERW Black Pipes and Galvanised Steel Pipes having multiple applications in water pipelines, agriculture, irrigation, deep tube wells, fencing tubes etc. Over the years, we have established long standing relationship with reputed clients globally by providing unmatched value proposition. Our Company continuously invests in multi-disciplinary R&D activities and technology, which is sufficiently agile to adapt to changing market scenario and regulatory constraints.

As the domestic demand was subdued, our Company strategically focused on export market to liquidate inventory and generate cash flows. The export sales accounted for 12% of total sales value in FY19-20. Our Company is planning to further strengthen its global presence especially in Nigeria market in near term by providing more value added products. Our company has taken several pre-emptive measures at various

operational levels to ensure sustainable reduction in the cost of production with increased level of efficiency and output. This is clearly visible from the installation of 750 KW solar energy project in Khopoli to optimise power cost.

In terms of financial performance, the consolidated revenue declined by 30% to ₹352.80 crore in FY19-20, similarly EBIDTA declined by 29% to ₹15.38 crore in FY19-20 on YoY basis. Subdued demand, lower realisations and revenue loss of crucial period in 4th Quarter in FY19-20 resulted to these under-performances during the year. Also, impact on the Company's financial performance was due to raw material price fluctuation to the extent of 25% to 30%.

Looking ahead

We believe the challenging times give an opportunity to look within and approach the business with a rather comprehensive approach to reach customers and deliver great work. With an economy thirst for power and steel to build its infrastructure, we are confident that the fundamentals underpinning the sectors will support further growth in the coming years. The brand value of "TTT Rama" gives us the strengths to rebound. Capacity expansion will help strengthen our market position. The strong sales & distribution network gives us assurance of reaping opportunities at the right time. Our Company is well positioned with a strong balance sheet and healthy liquidity. We remain committed to improving on productivity with an impetus on cost reduction and efficiency improvement.

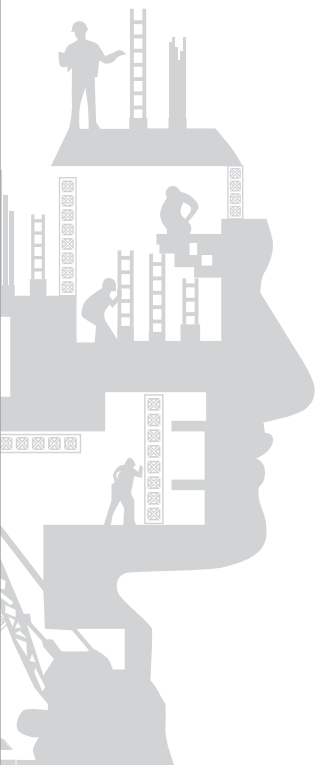
The passion and commitment of human capital are the key business enablers for our Company. To build a sustainable business, we will continue to strengthen our steering capabilities by placing the right leadership team to focus on our businesses in a dedicated way. We are constantly strengthening our team by investing in leadership development and building the best talent pool resources.

Our historic success would not have been possible without the unstinted support and co-operation of the entire team. I would like to convey my sincere appreciation to the Board of Directors for their guidance. I would like to thank our employees, vendors, lenders, and stakeholders for their continuous faith and support.

Sincerely,

Naresh Kumar Bansal

Chairman & Managing Director



Rama Steel Tubes Limited – **ABOUT US**

Rama Steel Tubes Ltd (RSTL) is leading name in Indian Pipes & Tubes Industry with a strong legacy of 45+ years. A time-hardened business with extensive experience and market exposure. We manufacture, market and supply various types of Steel Pipes & Tubes that are used in widest possible manner across the country's infrastructure.

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.

Our Products

- **ERW Galvanized Steel Pipes and Tubes**
- **ERW Black Steel Pipes and Tubes**
- **Scaffolding Pipes & Tubes**
- **Swaged Poles**
- **Structural Steel Products**
- **Hollow Sections**

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.



Manufacturing Infrastructure

Rama Steel Tubes Ltd has a strategically located plants' network spread across North, South and West regions of India. Out total installed capacity stands at 1,68,000 MTPA, spread as under:

Uttar Pradesh

Sahibabad,
Uttar Pradesh
Capacity: 60,000 MTPA

Maharashtra

Khopoli
Maharashtra
Capacity: 72,000 MTPA

Andhra Pradesh

Anantpur
Andhra Pradesh
Capacity: 36,000 MTPA

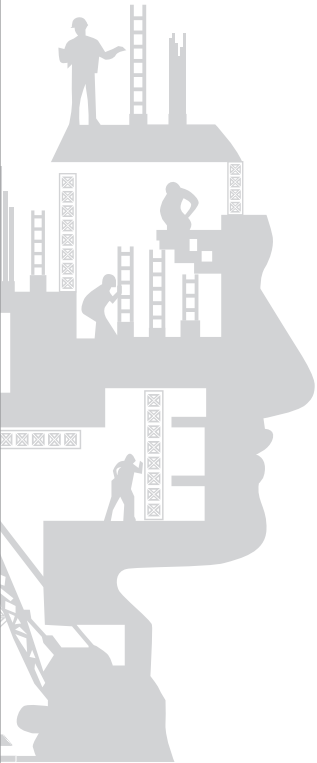
Key Numbers

97,434 (MT)
Sales Volume FY20

300+ Dealers
& Distributors

300+
Employees

400+
Projects



Brand **RAMA**

Brand Rama, well known as 'TTT Rama', is a strong brand in Steel Tubes & Pipes industry and is present across India and 17 countries.

'Rama TTT' is a brand name synonymous with trust, quality and experience.

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

Globally, the Brand is spread across countries like the United Kingdom, UAE, Ethiopia, South and Africa etc.

Its subsidiary, RST International Trading FZE gives the Company a stronghold in international markets especially in the UAE & Africa regions.

Product & Marketing Attributes

Our products, under Brand 'TTT Rama' stand for following customer benefits

- 1. Quality Products**
- 2. On-time Delivery**
- 3. Customer Satisfaction**





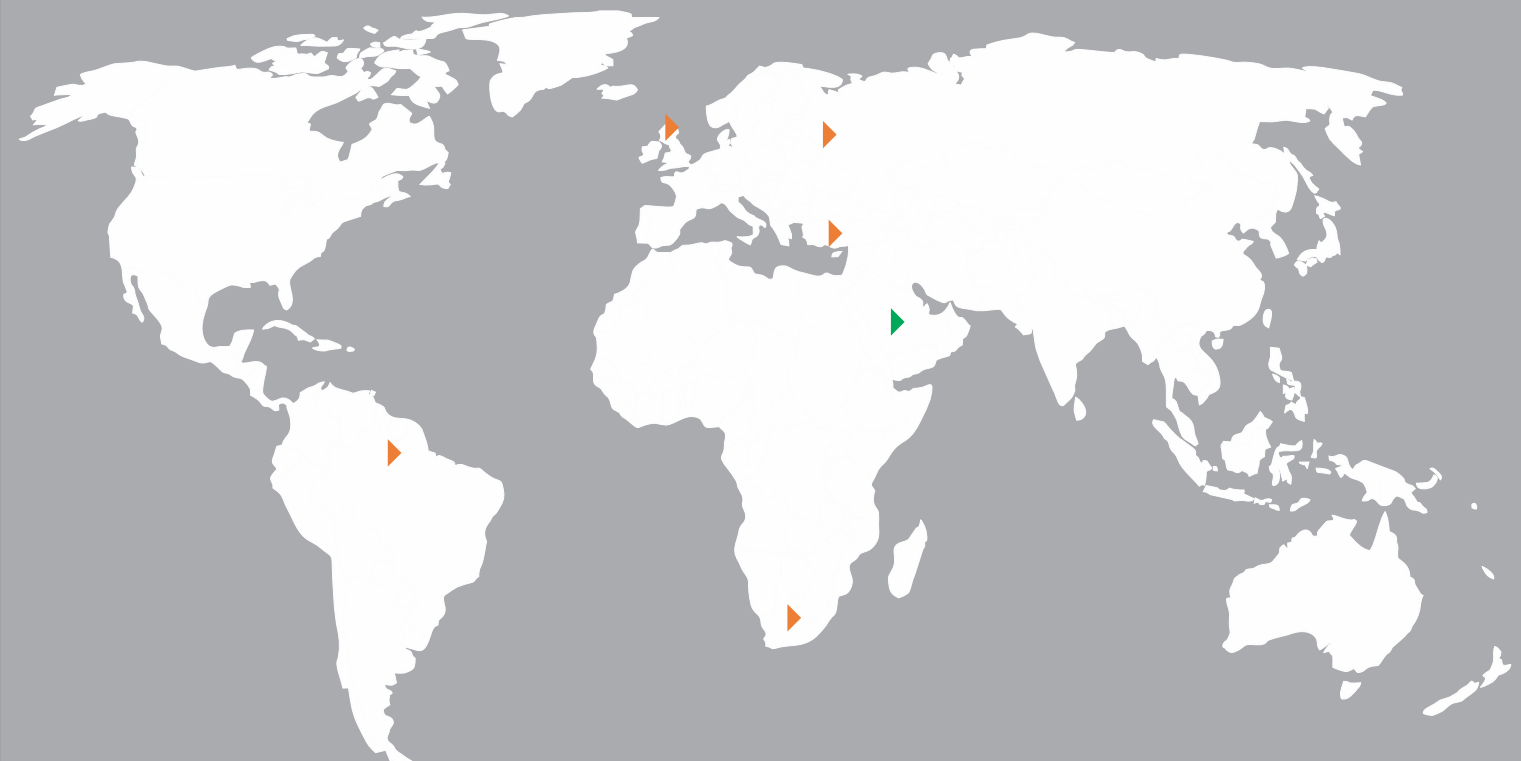
Brand Attributes

The 3 Cs of Brand Essence at RSTL:

- **Customer:** 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:** 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.
- **Competitive:** 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.

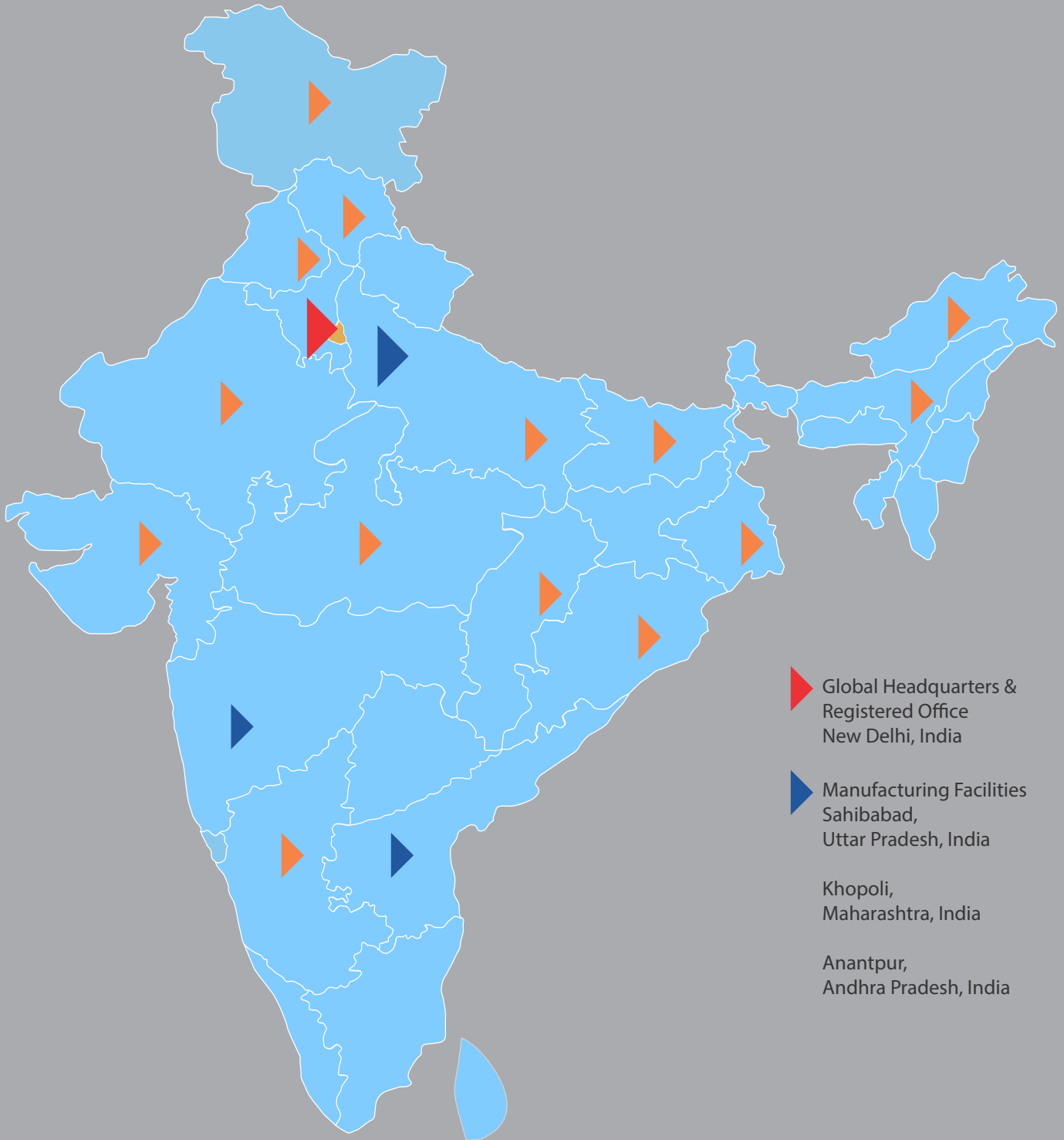


Our **PRESENCE**



- ▶ **Market Reach**
200+ Cities in India
South Africa
United Arab Emirates (U.A.E.)
United Kingdom (U.K.)
Europe
- ▶ **Foreign Subsidiary**
RST International Trading FZE (U.A.E.)





- ▶ Global Headquarters & Registered Office
New Delhi, India
- ▶ Manufacturing Facilities
Sahibabad,
Uttar Pradesh, India
- Khopoli,
Maharashtra, India
- Anantpur,
Andhra Pradesh, India

Board of **DIRECTORS**



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.



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.



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. Charat Sharma

Independent Non-Executive Director

Mr. Charat Sharma aged 37 years, is a qualified graduate with over 15 years of experience in operational expertise in steel industry. He led multiple initiatives to accelerate innovation and growth in steel industry. He is also maintaining good public relations in the matter of steel and allied products. His industry knowledge and business essence remain unparalleled. His insights on providing the best products and business values to various stakeholders would have been the guiding light for Rama Steel Tubes Limited.



Shri 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.



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 42 years of experience, Mr. Bansal handles the strategic planning and identification of new growth drives for the company.

Mr. Richi Bansal

CEO & Executive Director

With over 17 years of experience, Mr. Rich Bansal is responsible for the administrative aspect, marketing and finance of the company along with the formulation of business development strategies.

Mr. Rajeev Kumar Agarwal

Chief Financial Officer

Mr. Agarwal is a qualified Chartered accountant and Company Secretary with over 12 years of experience in matters related to Corporate Finance, Budgeting, Taxation, Audit, Secretarial and Accounting.

Mr. K. S. Sharma

Head-Sales & Marketing

Mr. Sharma is a mechanical engineer with over 45 years of experience and handles the sales and marketing functions efficiently with his rich experience which includes international markets as well.

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 & MCOM with over 16 years of experience to manage the accounts and finance department 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

Mr. Surender Kumar Sharma
Executive Director

Mr. Bharat Bhushan Sahny
Non-Executive Independent Director

Mr. Charat Sharma
Non-Executive Independent Director

Mrs. Anju Gupta
Non-Executive 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 Subodh Kumar & Co. New Delhi

REGISTERED OFFICE

B-5, 3rd Floor, Main Road, Ghazipur, New Delhi-110096
Tel. No. +91 11-43446600, Website: www.ramasteel.com
CIN : L27201DL1974PLC007114

Work

RAMA STEEL TUBES LTD.
Sahibabad (UP)
B-21,B-25/1 and B-5, Site No. 4,
Industrial Area, Sahibabad, Uttar Pradesh-201010

Raigad (Maharashtra)
151, Village Umbare Tal. Khalapur, Khopoli, Pali Road,
Distt. Raigad, Maharashtra-410203

LEPAKSHI TUBES PVT. LTD.
Survey No-398, Nayanapalli Road, Village Kallur,
Lepakshi Mandal, Distt. Anantpur,
Andhra Pradesh-515331

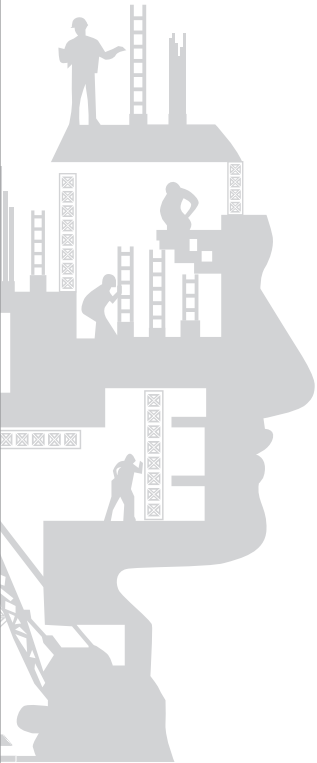
REGISTRAR AND SHARE TRANSFER

AGENT TO THE COMPANY

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

BANKERS

Axis bank Limited
HDFC Bank Limited
Canara Bank
ICICI Bank
Punjab National Bank



Business **RESPONSIBILITY –** for an Inclusive Growth

At RSTL, being a Responsible Corporate Citizen is part of our culture and deeply ingrained in our philosophy. We believe that it is Inclusive Growth which is the way to grow and sustain collectively, as it is said “United we stand”. The wider ambit of Business Responsibility or Corporate Social Responsibility (CSR), as commonly known, today, encompasses business sustainability, society' growth, environmental care and nurturing people – internally or externally.

At Rama Steel Tubes Limited, our approach to CSR includes policies and procedures which concern social, environmental, ethical, human rights and business sustainability measures. Besides, our Business Responsibility strategies and execution revolve around caring, sharing and growing approach thereby leaving positive impact on our society, our people and our environment, while achieving sustainable growth as business objective.



Our business responsibility measures are focused around the following:





On COVID-19



Industry Impact:

As per India Ratings, domestic steel demand in FY20-21 is likely to decline by around 12%-15% year-on-year with end-use industries being closed down and limited demand growth expected over the near term. Demand from infrastructure, construction and real estate sectors is likely to be subdued in first half of FY20-21 due to Covid-19 led lockdowns in the first quarter and the monsoon season over second quarter of FY20-21. Furthermore, the demand from automobile, white goods and capital goods sectors is likely to reduce with consumers deferring discretionary spends in the near term. However, government spending on infrastructure is likely to be the key driver for a gradual recovery from second half of FY20-21 onwards.

Business Impact:

The Company witnessed a significant impact on the Company's performance on following aspects:

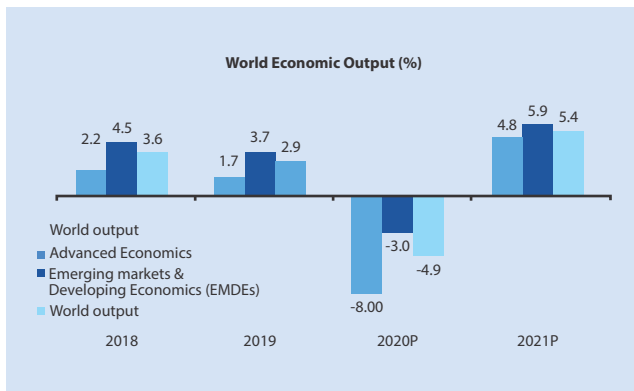
- Operations impacted due to lockdown towards March 2020 second-half and the for FY20-21, April and May 2020 month were badly hit and part of June 2020 as well
- Debtor realization fell due to lockdown, towards the critical time of year end
- Stock was lying idle and could not be liquidated since the demand was highly impacted wherein some impact was visible right from January 2020. Though, the Company explored and got some success by way of utilizing such stocks for exports markets
- High-cost and less-competitive labour has added to operational cost concerns
- March is usually the best month due to financial year end but this year it was complete wash out in March 2020.

Management **DISCUSSION** and Analysis

World Economy

The global economy was already plagued by heightened policy uncertainty, persistent trade tensions, Brexit issues along with declining business and consumer confidence. The outbreak of Covid-19 pandemic since early 2020 is the most devastating event impacted the global economy. Measures to contain the virus have deeply undercut economic activities. On the demand side, lockdowns and social distancing measures have not only triggered a sudden stop in spending, but have also made it highly insensitive to policy stimulus. On the supply side, containment measures have directly hindered production, with the repercussions spreading through local and global supply chains. Consequently, the global economy is expected to contract by 4.9% during 2020, which will mark the steepest downturn since global financial crisis of 2008-09.

World Economies: Performance at a Glance



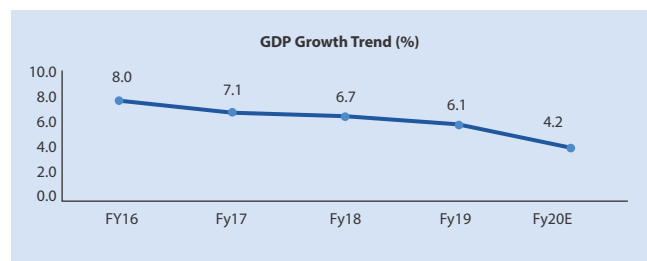
Source: IMF, June 2020

Major economic policy measures have already been taken globally, concentrating on meeting the requirements of public health care while restricting the emphasis of economic activity and the financial system. Global economy growth rate is expected to rebound in 2021 at 5.4%. EMDEs are expected to grow at 5.9% and advanced economies at 4.8% in 2021. The predicted recovery assumes that such policy measures are successful in preventing widespread Company bankruptcies, extended job losses and financial strains throughout the system. Additional fiscal and monetary policy support and

enhanced structural reforms in all countries would help restore growth, improve the confidence of consumers and investors and reduce uncertainty.

Indian Economy

Indian economy had been facing notable challenges over the past year viz. weak investment, slowdown in private consumption driven by financial stress among rural households, weak job creation and credit crunch among non-bank financial institutions (NBFIs). Further, the spread of Covid-19 and the subsequent national lockdown has enforced crippling of most economic and commercial activities. As per the third advance estimates released by the Central Statistics Organisation (CSO), the growth in real GDP during FY19-20 is estimated at 4.2% as compared to 6.1% in FY18-19.



Source: Central Statistics Organisation, 3rd Advance Estimates dated 29th May, 2020

India is expected to record a sharp turnaround and resume its growth trajectory. In May 2020, the Government has uplifted spirits of the nation fighting with Covid-19 by announcing mega stimulus and reform package to make the country self-reliant. The Government has announced ₹20 trillion fiscal stimulus package, which represents nearly 10% of Indian GDP. It includes both fiscal stimulus and measures already announced by RBI. Overall the economic plan is unique and includes measures to undertake changes in Liquidity, Land, Labour and Law. This will make India more competitive and a big player in global supply chains.

India is gearing for boosting its own production in order to be a self-sufficient economy. A calibrated fiscal support along with structural reform can unleash India's growth potential. The recovery will largely depend on how well

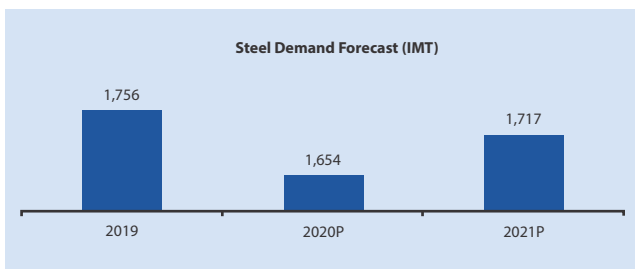


public health and fiscal measures work together to stem the spread of the virus, minimizing reinfection risks, safeguarding employment and restoring consumer confidence, so that people start spending again.

Global Steel Industry

The steel industry has been a core pillar of industrial development in any country. Recently, the industry is experiencing slowdown in consumption, shutdowns and disrupted supply chains caused by the Covid-19 pandemic. Demand is expected to have declined significantly in most countries, especially during the second quarter of 2020, with consumption improving slowly as lock downs ease in the second half of the year.

According to World Steel Association Short Range Outlook report, steel demand will contract by 6.4% in 2020 to 1,654 MT owing to the Covid-19 crisis and is expected to increase by 3.8% YoY to 1,717 MT in 2021. The reduction in global steel demand in 2020 will be mitigated by an expected faster recovery in China than in the rest of the world. China's economy is fast approaching normalisation, except for the hospitality and tourism sectors. In contrast to rest of the world, Chinese steel demand is expected to increase by 1.0% in 2020 led by construction and infrastructure sector as the government has put forward several new infrastructure initiatives in China.



Source: World Steel Association Short Range Outlook report June 2020: MT-Million Tonnes

Steel demand in the developed economies is expected to decline by 17.1% in 2020 and partial recovery of 7.8% is expected in 2021. Limited fiscal support, fall in commodity prices and currency depreciation would lead to decline of steel demand in some developing countries. Steel demand in the developing economies excluding China, is expected to decline by 11.6% in 2020, while a substantial recovery of 9.2% is expected in 2021. As most countries have been gradually reopening from their lockdowns since mid-May 2020, economic activities are expected to recover from the third quarter of 2020. Even though all steel-using sectors

are affected, the mechanical machinery and automotive sectors are highly exposed to a prolonged demand shock, as well as to disruption in global supply chains. Changes in working procedures in the steel-using sectors to fulfil the requirements of social distancing will potentially lead to lower productivity and an extended production cycle.

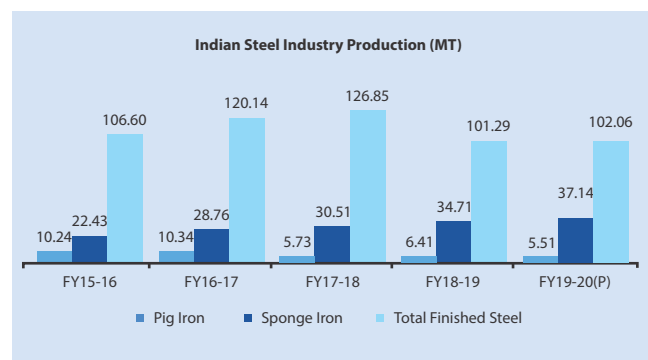
Indian Steel Industry

India remained the second largest producer of crude steel in the world in 2019. The country was also the largest producer of Sponge Iron or Direct Reduced Iron (DRI) in the world and the third largest finished steel consumer in the world after China & USA in 2019. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. The steel industry contributes over more than 2% to the Indian GDP directly. The sector employs 500,000 people directly and 2.50 million people indirectly owing to the dependence of other sectors.

The production of total finished steel (alloy + non-alloy) stood at 102 MT in FY19-20, representing a growth of 0.8% over previous year. India's finished steel consumption grew at a 5 year CAGR of 5.2% to 100 MT in FY19-20 and is anticipated to reach 230 MT by 2030- 31.

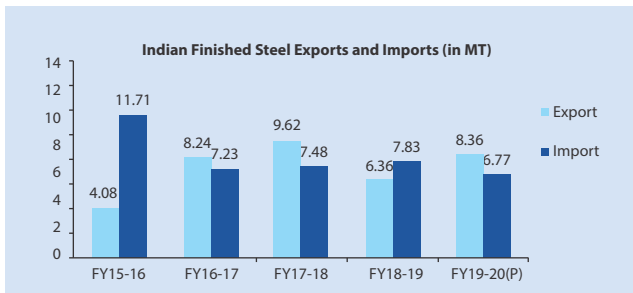
India has also been a largest producer of pig iron. Post-liberalization, with setting up of several units in the private sector, imports have drastically reduced and India has turned out to be a net exporter of pig iron. However, production of Pig Iron in FY19-20 was 5.51 MT, a decline of 15.0% over last year.

India is the largest producer of Sponge Iron in the world with a large number of coal-based units. The total Sponge Iron production in the country increased by 7.0% over the last year and stood at 37.14 MT in FY19-20, out of which coal based route accounted for 86%.



Source: Overview of steel sector by Ministry of Steel, 2020 report; P stands for provisional estimates

India continued to be a net exporter of total finished steel in FY19-20 with export and import of finished steel stood at 8.36 MT and 6.77 MT respectively in FY19-20. Most of the companies in the industry are undertaking modernisation and expansion of plants to be more cost efficient. There is an increased emphasis on technological innovations. Companies are attempting coal gasification and gas-based DRI production along with exploring other alternative technologies to produce hot metal. The steel sector is going through a phase of consolidation and companies operating in the sector are investing heavily to expand their capacity.



Source: Overview of steel sector by Ministry of Steel, 2020 report; P stands for provisional estimates

Outlook

As per India Ratings, domestic steel demand in FY20-21 is likely to decline by around 12%-15% year-on-year with end-use industries being closed down and limited demand growth expected over the near term. Demand from infrastructure, construction and real estate sectors is likely to be subdued in first half of FY20-21 due to Covid-19 led lockdowns in the first quarter and the monsoon season over second quarter of FY20-21. Furthermore, the demand from automobile, white goods and capital goods sectors is likely to reduce with consumers deferring discretionary spends in the near term. However, government spending on infrastructure is likely to be the key driver for a gradual recovery from second half of FY20-21

onwards. Source: <https://reality.economicstimes.indiatimes.com/news/allied-industries/weak-demand-oversupply-to-hurt-steel-makers-post-lockdown-ind-ra/75488064>

Government Initiatives

Government initiatives such as 'Make in India' will provide

impetus to the growth in steel demand. The plan for building smart cities, affordable housing, dedicated freight & high-speed rail corridors, expansion in electricity generating capacity especially using solar energy is expected to create significant demand for steel in the country. Few other initiatives include the following:

- **National Steel Policy 2017:** National Steel Policy (NSP) formulated by the Ministry of Steel in line with the government's long term vision to give thrust to the steel sector and achieve self-sufficiency in steel production. The policy projects crude steel capacity of 300 million tonnes (MT), production of 255 MT and a robust finished steel per capita consumption of 160 Kg by FY30-31, as against the current consumption of 74 Kg. To achieve this target, the ministry of steel has released a draft policy in December 2019 for the promotion of Greenfield steel plants in India to the tune of 25-30 MT capacity by FY24-25.

- **DMISP:** The government introduced the domestically manufactured iron and steel products policy (DMISP) policy to increase the use of domestically manufactured steel goods in government organizations. Since the launch of this policy in 2017, steel imports worth over ₹20,000 crore has been reduced till June 2020.

- **Setting up value addition focused steel clusters:** The ministry also foresees setting up of steel clusters to enhance the smaller units in the steel sector. This will further increase employment opportunities within the sector. This move would also support in evolving of MSMEs in the steel sector and motivate them to produce more value-added products.

- **FDI:** 100% FDI through the automatic route allowed in the Indian steel sector.

- **Increase in Export Duty:** The government hiked the export duty on iron ore to 50% ad valorem on all varieties of iron ore (except pellets) to ensure supply to domestic steel industry.

- **Steel Scrap Recycling Policy:** The Government introduced Steel Scrap Recycling Policy aimed to reduce import, conserve resources and save energy.

- **R&D Promotion:**

- The scheme for the promotion of research and development (R&D) 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 (US\$ 24.98 million) from the Ministry of Steel.



- Steel Research & Technology Mission of India (SRTMI) was set up with an initial corpus of US\$ 30.89 million. The institute will facilitate joint collaborative research projects in the sector.

Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for at least 1% of their sales turnover on R&D to facilitate technological innovations in the steel sector.

Source: IBEF, PIB

Global Steel Tubes & Pipes Industry Outlook

The global steel pipes & tubes market size was valued at US\$ 141.3 billion in 2018 and is estimated to grow at a CAGR of 9.0% from 2019 to 2025. The growth will be majorly driven by the demand from oil & gas industry which accounted for a volume share of 49.9%, wherein the steel products are used in exploration, processing, and transmission applications. As per the World steel report, total exports of Steel tubes and fittings stood at 38.2 MT in 2019, declined by 7.28 % from 41.2 MT in 2018. Seamless steel pipes and tubes are extensively used in industrial boilers and oil & gas industries due to their high strength, durability, and corrosion resistance. Factors such as increasing number of projects in oil & gas industry and growth in the pipeline network are anticipated to drive the demand for seamless steel pipes & tubes. Governments of various developing nations are focusing on infrastructural developments, which, in turn, have led to the increase in demand for steel tubes and pipes.

Impact of Covid-19 in Steel Pipes and Tubes Market

The end user industries such as construction, infrastructure, railways etc. are mainly being driven by increasing financial incentives and regulatory supports from the governments globally. Currently, demand from all these industries are affected primarily due to Covid-19 pandemic. Most of the projects in China, the US, Germany, South Korea and Asia Pacific are delayed and the companies are facing short-term operational issues due to supply chain constraints and lack of site access.

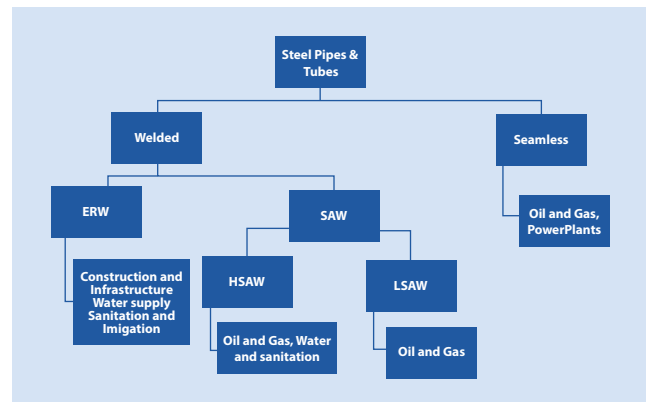
Source:

- <https://www.grandviewresearch.com/industry-analysis/steel-pipes-tubes-market>
- <https://galusaustralis.com/2020/07/745913/global-steel-pipes-and-tubes-market-2020-to-witness-huge-growth-by-2020-arcelormittal-hyundai-steel-tata-steel-united-states-steel-steel-authority-of-india-limited/>

Indian Steel Tubes & Pipes Industry Outlook

India is among the top key producers and consumers of steel pipes & tubes in the Asia-Pacific region. As per Crisil, Indian Steel pipe industry valued at ₹50,000 crore in 2019. The industry is equally split between Electric Resistance Welded (ERW) and submerged arc welded (SAW) and seamless together referred as S&S segment.

Structure and application of Steel Pipes and Tube Industry



Indian Steel Tubes & Pipes Industry Outlook

India is among the top key producers and consumers of steel pipes & tubes in the Asia-Pacific region. As per Crisil, Indian Steel pipe industry valued at ₹50,000 crore in 2019. The industry is equally split between Electric Resistance Welded (ERW) and submerged arc welded (SAW) and seamless together referred as S&S segment.

Structure and application of Steel Pipes and Tube Industry

Demand for ERW pipe has grown at a CAGR of 4-5% in last five years due to investments in water supply and sanitation, irrigation and increased usage of structural pipes in infrastructure projects. Demand is expected to grow further by 8-10% over the next five years driven by Government thrust to agriculture and the rural economy, infrastructure schemes such as Bharat mala Pariyojna, City Gas Distribution (CGD) projects, Pradhan Mantri Awas Yojna and installation of newer applications like solar trackers. Implementation of recently awarded CGD license will require at least 10,000-15,000 km per annum of pipes by FY28-29 entailing an opportunity of over ₹5,000 crore per annum over next 10 years. However, demand for ERW pipes faces the threat of substitution from PVC pipes for last mile conveyance applications.

Major growth drivers for Steel Tubes and Pipes Industry

Construction sector including physical infrastructure (excluding railways) and real estate contributes roughly 62% of India's steel use or steel demand. The Government's huge focus on infrastructure sector will drive growth in this sector as well as overall steel demand. Besides, the affordable housing and smart cities initiatives will drive growth in the real estate segment. ERW pipes are also used for electric conduit pipes, fencing, cabling and ducting, automotive, bus body and green housing structures. Overall, the demand prospects of steel-using sectors remain positive.

The major growth drivers relating to Government initiatives that are supposed to augment the demand for steel tubes and pipes are discussed as follows:

Housing for All by 2022	100 Smart Cities	24x7 Electricity - DDUGJY (Deen Dayal Upadhya Gram JyotiYojana) / Saubhagya Yojna
National Highway Development Programme - Bharatmala programme	Port connectivity through the Sagarmala programme	Renewable Energy Target 100 GW
PM Krishi Sanchar Yojna	Swachh Bharat Abhiyan	Access to at-least basic sanitation
Network of water transmission pipelines to link rivers, canals and other water bodies across the country.	Infrastructure to improve the utilization of Ganga - Brahmaputra - Meghana river basin	AMRUT scheme launched to enhance sewage treatment capacities

Source:

<https://www.crisil.com/content/dam/crisil/ouranalysis/reports/Ratings/documents/2019/july/the-good-augury-for-steel-pipes.pdf>

Company Overview

Rama Steel Tubes Limited (hereafter referred as "RSTL" / "the Company") is a prominent player in the Indian steel tubes and pipes market with more than four decades of experience. The Company is primarily engaged in the manufacturing and trading of Steel Tubes & Pipes, Rigid PVC (Poly Vinyl Chloride) & Galvanised Iron Pipes in India as well as in the world. The Company markets the product under the brand name "TTT Rama" and has established its strong brand equity across the globe. The Company also caters to the export market in the UK, Middle East, Africa and South America. The state-of-the-art manufacturing facilities located in the North, South and West India provides strategic as well as competitive advantage to the

Company in the respective market regions. The Company's niche product include ERW (electric resistance weld) Black Pipes and Galvanised Steel Pipes.

Product Portfolio: RSTL has diversified product portfolio and is continuously working on evolving new products as per the market dynamics. It provides customised products to suit customer requirements. The Company's products have applications in various industries, including automobiles, infrastructure, real estate and furniture. The various products of the Company are being discussed as follows:

Steel Tubes and Pipes: The Company primarily manufactures ERW galvanised tubes and pipes, ERW Black steel tubes and pipes, scaffolding tubes and pipes, pre-grooved pipes, swaged poles in this segment. Its MS ERW black pipes vary from 15mm to 200mm in diameter and confirm to IS: 1239, IS:1161, IS:3589, IS:3601, & IS:4270. The Company's G.I. Pipes range from 15mm to 150mm NB in light, medium and heavy sizes. The major application areas include water pipelines, agriculture and irrigation, deep tube wells & casing pipes, fencing tubes, gas pipe lines and cross country pipelines.

Telecommunication Transmission Tower & Substation Structure: RSTL 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:** The Company has established itself as a pioneer in steel tubes and pipes industry. The Company has an extensive experience and technical expertise demonstrated from the long track record of its operations.



• **Global Presence:** RSTL has a strong global footprint and presence in more than 17 international geographies. Its products are 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. During the year under review, the Company has commenced operations in Nigeria and is planning strengthen its position in that region by offering more value added products. The Company derived revenues of ₹47 crore from exports during FY19-20 which constitutes 13% of total revenue.

• **Reputed and Diverse Client Base:** RSTL is diversified in terms of customers and has established long-standing relationships with its clients. The Company's diversified clientele across various sectors 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.

• **Advanced Technical Know-how:** Recognizing that development and assimilation of new technologies & process innovations are basic tenets for sustainable growth, the Company has given thrust for its R&D efforts. RSTL is able to deliver superior products in tandem with the latest technological advancements with the help of its technical and research capabilities. The continuous improvement in using superior technology to modernize production and serve its customers more effectively has improved its profitability over the years. In order to better serve the market, the Company has installed a modern high speed tube mill based on latest technology of world leader M/s Kusakabe of Japan.

• **Pan India Presence:** RSTL has four state-of-the-art manufacturing facilities across North, South and West India, of which one is located in Khopoli Mumbai (Maharashtra), one in Anantapur (Andhra Pradesh) and two in Sahibabad (Uttar Pradesh). The total consolidated installed capacity of the Company stood at 1,68,000 MTPA as on March 31, 2020. The manufacturing facilities offers strategic locational advantage owing to close proximity to ports and commercial markets. The Company has also set up solar plant at Khopoli with 750 KW capacity which is one of its kind in the ERW pipes segment. In FY19-20, capacity utilization stood at 42% with 70149.15MTPA as against 88,054 MTPA in the previous year.

Strategies

• **Capacity Expansion:** RSTL focuses on selectively and consistently increasing its capacities. During FY19-20, the Company has made significant progress on expanding capacity at Khopoli plant by additional 60,000 MTPA from 72,000 MTPA capacity as on March 31 2020. This expansion will help the Company to venture into new market as it will allow RSTL to manufacture pipes from 3 inches of size to 8 inches of size. The brownfield expansion was expected to be completed by March 2020 but due to Covid-19 pandemic, is now expected to get postponed and to be completed by 2nd or 3rd Quarter of FY20-21. On completion, the total installed capacity of the Company will increase to 2,28,000 MTPA.

• **Strengthening operations in South India:** The Anantapur facility in Andhra Pradesh under its subsidiary, Lepakshi Tubes Pvt Ltd. has recorded 28-30% production growth during FY19-20. The Company is planning to set up another line of production in this facility during FY2020-21 to cater the diversified demand in the southern regions.

• **Focus on Marketing:** The Company is widening customer reach by providing value addition in product, delivery and services to customers in both domestic and international market through an efficient distribution channel. As on March 31, 2020, the Company has outreach in most of the cities in India through a dealer network of 300+ touch-points. RSTL is planning to further expand its dealer network in south and west India. For further strengthening the distribution reach, the Company has strengthened senior level marketing team during the year under review.

• **Increasing capabilities for Solar Energy sector and Government Schemes:** Currently, RSTL's products are used in some of the high growth sectors like Roads, Buildings Construction, Urban Transportation, Water Supply, and Electricity Transmission & Distribution. Given the growing opportunities in the sector, the Company is eyeing to venture in products for solar energy projects. In order to expand further, RSTL has decided to contribute in growing infrastructure of the country through major government schemes such as housing for all, affordable housing, smart cities, national highway development programme, Swachh Baharat mission, NAL Se JAL, Jal Shakti Scheme, RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana), DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojana) etc.

• **Securing future energy needs through renewable**

sources: Post the success of 750 KW solar power plant in Khopoli Unit, the Company is looking to set up solar power plant of 1 MW each at Andhra Pradesh and Uttar Pradesh in order to optimise its power costs.

• **Talent Acquisition:** The Company will continue to invest in talent pool in business processes to generate value over time. During FY19-20 the Company has recruited quality resources at top positions in the field of marketing, plant operations etc.

Financial Performance

The consolidated revenue from operations stood at ₹352.81 crore in FY19-20 as compared to ₹504.15 crore in FY18-19, representing a decline of 30% due to challenging operating environment. In FY19-20, capacity utilization stood at 42% with 70149.15 MTPA as against 88,054.47 MTPA in the previous year. The domestic demand remained subdued throughout the year due to economic slowdown even before the Covid 19 impact.

The major impact on the Company's financial performance was due to raw material price fluctuation to the extent of 25% to 30% in FY19-20. The raw material forms 90-92% of the entire cost of operations, hence the overall sales came drastically down with the corresponding decline in raw material prices during the year under review. Further, the Company has certain fixed expenses which remained intact despite decrease in revenue, resulting into weakening in profitability and margins.

The EBIDTA (earnings before interest, depreciation and tax) declined by 29% YoY and stood at ₹15.38 crore in FY19-20 as compared to ₹21.53 crore in FY18-19. The profit before tax (PBT) after including share of associates and joint ventures stood at ₹2.85 crore in FY19-20 as compared to ₹9.39 crore recorded in FY18-19. The PAT (profit after tax) including OCI stood at ₹1.51 crore in FY19-20, as compared to ₹8.55 crore in FY18-19. EPS for FY19-20 was ₹0.93 as against ₹5.09 in FY18-19.

At the end of March 31, 2020, the Company's net worth stood at ₹88.56 crore as compared to ₹87.00 crore recorded on March 31, 2019. The total debt decreased from ₹89.98 crore in FY18-19 to ₹83.17 crore in FY19-20 resulting in a lower debt/equity ratio of 0.94 as compared to last year's ratio of 1.03. The cash and cash equivalents stood at ₹13.11 crore for FY19-20 as against ₹6.76 crore recorded in FY18-19.

Details of Significant Change in Key Financial Ratios

Ratios	FY18-19	FY19-20	Change
Debtors Turnover (x)	9.83	5.17	-47.44%
Inventory Turnover (x)	11.77	6.70	-43.07
Interest Coverage Ratio (x)	2.00	1.30	-35.28%
Current Ratio (x)	1.61	1.34	-16.72%
Debt Equity Ratio (x)*	1.03	0.94	-8.74%
Operating Profit Margin (%)	3.75%	3.33%	-11.26%
Net Profit Margin (including OCI) (%)	1.69%	0.44%	-73.96%
Return on Networth – RoNW (x)	9.83%	1.76%	-82.09%

• The Company's debtor and inventory turnover ratios deteriorated largely due to decline in net sales which were partly offset by increase in average debtors and inventory during the year.

• Interest coverage ratio deteriorated to 1.30x in FY19-20 from 2.00x in FY18-19 due to lower EBIT recorded during the year.

• The net profit margin (including OCI) declined sharply to 0.44% in FY19-20 from 1.69% in FY18-19. This is mainly due to decline in the sales turnover on account of wide fluctuation in raw material prices down by 25%-30%, worldwide slowdown in economy especially in steel sector, early impact of Covid-19 pandemic. The decline was further attributed to heavy rainy season for a long period of time in Raigad District of Maharashtra, where the plant of the Company exist which quite impacted operating profit and higher tax expense. The Company has adopted option of lower tax rate of 25.16% permitted under Section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has remeasured its deferred tax assets and liabilities. Subsequently, the total tax expense in FY19-20 stood at ₹1.69 crore as compared to ₹1.02 crore in FY18-19.

• Return on Networth (RoNW) decreased to 1.76% in FY19-20 as compared to 9.83% recorded in FY18-19. This is largely attributed to decrease in net profit during the year.

Covid-19 Impact:

The Covid-19 Pandemic has severely disrupted both the demand and supply side of the industry. With significant supply chain constrains, shortage of workforce, and with a view to ensure safety across all areas of operations, RSTL suspended operations towards the end of March 2020. The Company started to resume its operations in June 2020 in a progressive manner. Debtor realization was impacted due to lockdown towards the critical time of year end.

Market sentiments are improving and there is overall momentum in the market with gradual improvement in steel demand. However, there are issues related to availability of labour. Since the migrant labour has gone



back to their villages and not likely to come very soon and the local labour has higher costs compared to migrant labour. The Company will continue to drive strength from its experienced and resourceful team, long track record of operations, established distribution network, diversified customer base and increase in capacity as well as capabilities.

Corporate Social Responsibility

The objective of the Company has always been to conduct business in ways that produce social, environmental and economic benefits to the communities in which it operates. It believes in economic value creation and commitment towards sustainable development of the societies at large. Several projects are executed with better governance and ethical business practices. The Company has a Corporate Social Responsibility ("CSR") Committee in place, to formulate and recommend CSR Policy to the Board. 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 ₹25.50 lakhs towards the CSR expenses on women empowerment and skill development in FY19-20.

Risks and Mitigation Strategies

• **Economic Risk:** Slowdown in global growth impacts all steel end user segments like oil and gas, construction, capital goods, consumer durables, automobiles etc. The Company's revenue might get affected from certain unfavourable events like high inflation, macroeconomic slowdown, etc.

Mitigation strategy: With the Government structural reforms, make in India initiative, focus on upgrading infrastructure, India is well set for strong growth in the coming years. The Company's revenues are well-diversified because of its wide product portfolio, multiple end user sectors and strong hold in international markets. In addition, the Company's strong brands positioning helps reduce exposure to business cycles.

• **Supply Demand Risk:** Overcapacity and oversupply of steel globally may lead to higher imports in India at cheaper rate resulting into fall in steel prices.

Mitigation Strategy: The Company has established itself as a leader in the industry with better customer understanding, long standing customer relationship and focus on constant upgradation of facilities. The Company

continuously strives to optimise cost and provide value added products and services in order to maintain its operating margins.

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

Mitigation Strategy: Geographical and vendor diversification of critical raw material supplies help alleviate the risk of supply chain disruption. The Company has laid clear terms in dealing with its creditors for long term contracts of raw material. Further the Company maintain buffer in terms of inventory based on the demand supply scenario and adjust its inventory levels accordingly.

• **Evolution Risk:** With higher aspirations and affordability of a growing middle class, consumer needs are evolving. The changing preferences of end user's product requirements may require up gradation or complete change in product range developed by the Company.

Mitigation strategy: The Company uses modernized processes, advance technology for its facilities and latest equipment and processes. The Company keeps a close watch on emerging trends and accordingly upgrade itself to develop products for future needs.

• **Regulatory Risk:** Government policies such as minimum import prices, anti-dumping laws, countervailing duties and tariffs, trade restrictions have a great impact on steel production and trade. Further, any non-compliance to regulatory and environmental norms or any delay in obtaining approvals may lead to risk of sustainability and loss of reputation.

Mitigation Strategy: The Company continuously invests in training and automated systems for facilitating compliances to all applicable regulatory norms. The Company has been aided by the increasing government focus on clearing infrastructure bottlenecks. RSTL constantly monitors the changing regulatory scenario and undertakes necessary changes as per the requirement.

• **Forex Risk:** The Company is exposed to currency risks as its customers are spread across the international geographies. Any adverse movement in currencies might affect the Company's revenue and profitability.

Mitigation Strategy: The Company has a well-defined Foreign Exchange (FX) risk management system in place, which constantly monitors the currency movements and optimises the risk using various hedging activities.

In addition, the Company hedge its foreign currency exposure by using derivative financial instruments, such as forward contracts.

Environment, Health and Safety (EHS)

Environment, Health and Safety (EHS) is considered as crucial by the Company for its sustainable business growth. The Company focuses to embed EHS in every aspect of the business. 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 has implemented and maintained a Quality Management System to manufacture absolute quality products for highest customer satisfaction. Well experienced and quality management ensures the products are of high quality and comply with applicable standards. The Company has in place the checks and testing systems from the procurement of raw material to the manufactured product for ensuring the quality of products. The Company's manufacturing facilities are highly automated and centrally controlled. Total Quality Control (TQC) is carried out through the whole process of production and the 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 Company has an adequate system of internal controls for business processes, operations, financial reporting, fraud control and compliance with applicable laws and regulations, among others. The Company follows stringent procedures, systems, policies and processes to ensure accuracy in financial information recording, asset safeguarding from unauthorised use, optimum use of resources and compliance with statutes and laws. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the financial information. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee along with the management actively reviews from time to time the performance of statutory / internal auditors, the adequacy and effectiveness of internal

control systems and suggests improvements for strengthening the existing control system in view of changing business needs.

Human Resources

RSTL believes that human resources are the most critical element responsible for the growth of the Company. It ensures a safe, conducive and productive work environment across its properties. The Company is committed towards the well-being and development of employees through various initiatives such as performance and appraisal, learning management, talent management, internal and external training programmes etc. Nurturing people is a key organizational goal and leadership mandate. The Company focuses to provide opportunity for the development and enhancing the skill sets of its employees at all levels of the business. 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, determined motivation, and a high retention rate. 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, 2020 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, 2020.

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	29,176.13	40,455.87	35,280.90	50,414.61
Other Income	472.34	326.92	365.06	264.05
Total Revenue	29,648.47	40,782.79	35,645.96	50,678.66
EBIDTA	1,370.97	1,993.20	1,538.17	2,152.96
Finance Costs	807.06	764.78	963.14	937.19
Depreciation and Amortisation Expenses	221.78	218.33	290.09	276.44
Net Profit Before Tax	342.13	1,010.09	284.94	939.33
Tax Expenses	131.25	247.55	168.67	102.16
Net Profit After Tax	210.88	762.54	116.27	837.17
Other Comprehensive Income	(0.84)	(0.34)	39.24	18.17
Total Comprehensive Income	210.04	762.20	155.50	855.34
Earning per equity share (Face Value of ₹ 5 each)				
Basic	1.25	4.54	0.93	5.09
Diluted	1.25	4.54	0.93	5.09

COMPANY'S PERFORMANCE

The Financial Year ("FY") 2019-20 was one of the significant years in the terms of growth and sustainability.

During the FY 2019-20, total consolidated revenue from operations was ₹35280.90 Lakhs as compared to ₹50414.61 Lakhs in FY 2018-19, registering a decrease of 30%.

Consolidated profit before tax (PBT) in FY 2019-20 was ₹284.94 Lakhs as compared to ₹939.33 Lakhs in FY 2018-19, reflecting a decrease of 70%.

Consolidated profit after tax (PAT) was ₹155.50 Lakhs as against ₹855.34 Lakhs in FY 2019-20, a decrease of 82 % over the previous year.

Earnings before Interest, Depreciation and Taxes (EBIDTA) stood at ₹1538.17 Lakhs in FY 2019-20, as compared to ₹2152.96 Lakhs in FY 2018-19.

Sales turnover and 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 and Step down Subsidiary Company-RST Industries Limited-Nigeria.

BUSINESS IMPACT OF COVID-19

Coronavirus 2019 (COVID-19), an infectious disease with leads to acute respiratory symptoms and can also lead

to loss of life, was first identified in December 2019. Since then the health hazard spread to most parts of the world, with the World Health Organisation terming it as an ongoing pandemic.

The growing influence of the disease led to nationwide lockdowns across the globe, which in turn severely impacted economic activity.

Following the COVID-19 outbreak in India, the government announced the first phase of the nationwide lockdown for 21 days from March 25, 2020 to contain the spread of the infection. Accordingly, the Company had closed all its manufacturing plants and offices.

While extending the lockdown on May 4, Ministry of Home Affairs (MHA) issued revised guidelines under which industries/industrial establishments, including continuous process ones and their supply chain components, could operate in urban and rural areas. Inter-state transport of goods and materials were also permitted without any interruption. In keeping with these guidelines, the Company has been continuing its operations and gradually ramping up the capacity.

While the lockdowns and restrictions imposed on various activities were necessary to contain the spread, it has significantly impacted the business operations at Rama Steel Tubes Limited and its subsidiaries. Consequently revenues and profitability have been adversely affected.

**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, 2020, 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.

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

During the year 2019-20, RST International Trading FZE, Dubai, a wholly owned subsidiary of the Rama Steel Tubes Limited ("the Company"), has incorporated "RST Industries Limited", as subsidiary company in the Federal Republic of Nigeria. RST International Trading FZE holds 90% shares in RST Industries Limited. Consequently, RST Industries Limited has become a step down subsidiary of the Company.

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, 2020 has been attached with the consolidated financial statements of the Company for the financial year ended March 31, 2020.

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>

Lepakshi Tubes Private Limited, a wholly owned subsidiary of Rama Steel Tubes Limited is the material subsidiary of the Company as per Listing regulations.

The provisions of Regulation 24(1) of the Listing Regulations, appointment of one of the Independent Directors of the Company on the Board of material subsidiaries are not applicable to Lepakshi Tubes Private Limited.

The Company is in compliance with Regulation 24A of the Listing Regulations. The Company's unlisted material subsidiary Lepakshi Tubes Private Limited undergo Secretarial Audit. Copy of Secretarial Audit Report of is available on the website of the Company. The Secretarial Audit report of Lepakshi Tubes Private Limited does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL STANDARDS

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

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

Mr. Bharat Bhushan Sahny was appointed as Non-Executive Independent Director on November 18, 2014 for a term of 5 years which ends on November 17, 2019. Mr. Bharat Bhushan Sahny has given his consent to continue as Non-executive Independent Director for second term of 5 years from November 18, 2019 to November 17, 2024. Shareholders in 45th Annual General Meeting held on September 30, 2019 have given their consent by Special Resolution.

Mr. Rajendra Prasad Khanna was appointed as Non-Executive Independent Director on November 18, 2014 for a term of 5 years which ends on November 17, 2019. The Board places on record its deepest gratitude and appreciation towards valuable contribution made by Mr. Rajendra Prasad Khanna

Mr. Charat Sharma was appointed as Additional Director (Non-executive Independent Director) by the Board of Directors of the Company w.e.f. November 17, 2019 who holds office up to the ensuing Annual General Meeting. The Board commends his appointment at the ensuing Annual General Meeting.

As per the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. Surender Kumar

Sharma, 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 Obligations and Disclosure Requirements) Regulations, 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. Rajeev Kumar Aggarwal, Chief Financial Officer
- *Mr. Kapil Datta, Company Secretary

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, 2020 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, 2020, 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

Eight 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 46 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 29th 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, 2020 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, 2020. The Secretarial Audit Report for the financial year ended March 31, 2020 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. Subodh Kumar & Co., Cost Accountants, for conducting the audit of cost records of the Company for Steel pipe Segment for the financial year ended March 31, 2020. 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 ₹25.50 Lakhs on CSR activities for the financial year 2019-20 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).

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 2019-20.

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 (upto 17.11.2019)	N.A.
Mr. Charat Sharma (w.e.f. 17.11.2019)	N.A.
Mrs. Anju Gupta	N.A.

Executive directors	
Mr. Naresh Kumar Bansal	26.00
Mr. Richi Bansal	23.00
Mr. Surender Kumar Sharma	2.00

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. Charat Sharma	N.A.
Mrs. Anju Gupta	N.A.
Mr. Naresh Kumar Bansal, Managing Director	20.00%
Mr. Richi Bansal, Executive Director	23.53%
Mr. Rajeev Kumar Agarwal, Chief Financial Officer	11.38%
Mr. Kapil Datta, Company Secretary	11.21%

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 : 97**

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 7.00%.

Increase in the managerial remuneration for the year was 20.73%.

- 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 :

- 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.
- 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.
- 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.
- 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	4700.41	1433.65
b)	Total Foreign Exchange Outgo	3010.26	16.51

FORM 'A'

POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
1. Electricity		
(a) Purchased Unit	3666641	4296602
Total amount (in ₹)	2,26,95,286	2,52,21,764
Rate/unit	6.19	5.92
(b) Own generation		
Through Diesel Generator Unit	114990	129685
Unit per Litre of Diesel Oil	4.78	4.67
Total Amount (in ₹)	15,73,659	17,88,622
Cost/Unit	13.69	13.79
2. Furnace Oil Quantity(litres)	140560	192144
Total Amount (in ₹)	59,64,800	78,01,583
Average Rate ₹/litre	42.44	40.60

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	60.96	59.16	--	--
Galvd. Steel Tubes/Pipes	Per Ton	59.11	63.16	12.66	10.13

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.

Sd/-

(Naresh Kumar Bansal)

Chairman & Managing Director

Place: New Delhi

Date: June 29, 2020



Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[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:

1	CIN	L27201DL1974PLC007114
2	Registration Date	26.02.1974
3	Name of the Company	Rama Steel Tubes Limited
4	Category/ Sub-Category of the Company	Public Company
5	Address of the Registered office and contact details	B-5, 3 rd Floor, Main Road, Ghazipur, New Delhi – 110096 Contact No. 011-43446600 Email:investors@ramasteel.com Website-www.ramasteel.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	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	98.41%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

(A) DIRECT SUBSIDIARIES OF RAMA STEEL TUBES LIMITED

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	LEPAKSHI TUBES PRIVATE LIMITED B-5, 3 rd Floor, Main Road, Ghazipur, New Delhi -110096	U28990DL2016PTC302210	Subsidiary Company	100	2(87)
2	RST INTERNATIONAL TRADING, FZE P.O. Box 18684 Jebel Ali Free Zone Dubai, UAE	--	Subsidiary Company	100	2(87)

(B) DIRECT SUBSIDIARIES OF RST INTERNATIONAL TRADING, FZE

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	RST Industries Limited 2, Accosiation Avenue, Off Coker Road (ILUPEJU, LAGOS)	--	Subsidiary Company	90	2(87)

IV. 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-2019				No. of Shares held on 31-March-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	10143000	0	10143000	60.40	10290863	0	10290863	61.28	0.88
b) Central/state Govt	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 (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
1 Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
2 Director Relatives	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	10143000	0	10143000	60.40	10290863	0	10290863	61.28	0.88
(2) Foreign									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
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10143000	0	10143000	60.40	10290863	0	10290863	61.28	0.88
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	65	0	65	0.00	0	0	0	0.00	-0.00
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	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B)(1):-	65	0	65	0.00	0	0	0	0.00	-0.00
2. Non-Institutions									
a) Bodies Corp.	735993	0	735993	4.38	409021	0	409021	2.44	-1.95
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1655313	45001	1700314	10.12	1658236	39001	1697237	10.11	-0.02



Category of Shareholders	No. of Shares held on 31-March-2019				No. of Shares held on 31-March-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3199047	0	3199047	19.05	3667229	0	3667229	21.28	2.79
c) Others (specify)									
Hindu Undivided Family	547801	0	547801	3.26	528985	0	528985	3.15	-0.11
Trust	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	382918	0	382918	2.28	95524	0	95524	0.57	-1.71
Non Resident Indians	4501	0	4501	0.03	0	0	0	0.00	-0.03
Non Resident Indians (Repat)	58186	0	58186	0.35	71455	0	71455	0.43	0.08
Non Resident Indians (Non Repat)	22175	0	22175	0.13	33686	0	33686	0.20	0.07
Sub-total (B)(2):-	6605934	45001	6650935	37.60	6464136	39001	6503137	38.72	-0.88
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6605999	45001	6651000	39.60	6464136	39001	6503137	38.72	-0.88
C. Shares held by Custodian for GDRs & ADRs									
Promoter and promoter group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	16748999	45001	16794000	100.00	16754999	39001	16794000	100.00	0.00

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	6108000	36.37	0.00	6212578	36.99	0.00	0.62
2	Kumud Bansal	690000	4.11	0.00	692000	4.12	0.00	0.01
3	Richi Bansal	1443000	8.59	0.00	1469287	8.75	0.00	0.16
4	Krati Bansal	450000	2.68	0.00	450000	2.68	0.00	0.00
5	Nikhil Naresh Bansal	1341000	7.99	0.00	1355998	8.07	0.00	0.08
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
1	Naresh Kumar Bansal				
	At the beginning of the year	6108000	36.37		
	Change during the Year	104578	0.62		
	At the end of the year			6212578	36.99
2	Kumud Bansal				
	At the beginning of the year	690000	4.11		
	Change during the Year	2000	0.01		
	At the end of the year			692000	4.12
3	Richi Bansal				
	At the beginning of the year	1443000	8.59		
	Change during the Year	26287	0.16		
	At the end of the year			1469287	8.75
4	Krati Bansal				
	At the beginning of the year	450000	2.68		
	Change during the Year	0			
	At the end of the year			450000	2.68
5	Nikhil Naresh Bansal				
	At the beginning of the year	1341000	7.99		
	Change during the Year	14998	0.08		
	At the end of the year			1355998	8.07
6	Kanika Bansal				
	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	1209821	7.20
2	MADHUKAR SHETH	753670	4.49	775995	4.62
3	PUNE E STOCK BROKING PVT LTD - COLLATERAL ACCOUNT	399239	2.38	0	0.00
4	RITA DHAWAN	297602	1.77	297602	1.77
5	VIPUL BANSAL	0	0.00	211415	1.26
6	PRAFULCHANDRA ANANTRAI DESAI	192980	1.15	142980	0.85
7	SUMIT P DESAI (HUF)	100000	0.60	170000	1.01
8	DESAI NIRAL NEERAV	141572	0.84	141572	0.84
9	PRAMOD KUMAR RAJPUT	0	0.00	106000	0.63
10	KAMAL VISARIA	100000	0.60	100000	0.60
11	JYOTIVARDHAN JAIPURIA	90623	0.54	90622	0.54
12	INKAM FINVEST PVT LTD	85300	0.51	87915	0.52



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	TARUN DHIR				
	At the beginning of the year	954821	5.69		
	Change during the Year				
	26-Jul-2019	116500		1071321	6.38
	02-Aug-2019	138500		1209821	7.20
	At the end of the year			1209821	7.20
2	MADHUKAR SHETH				
	At the beginning of the year	753670	4.49		
	Change during the Year				
	24-May-2019	2423		756093	4.50
	14-Jun-2019	10522		766615	4.56
	21-Jun-2019	-522		766093	4.56
	19-Jul-2019	3000		769093	4.58
	30-Sep-2019	6902		775995	4.62
	At the end of the year			775995	4.62
3	PUNE E STOCK BROKING PVT LTD - COLLATERAL ACCOUNT				
	At the beginning of the year	399239	2.38		
	Change during the Year				
	05-Apr-2019	-215594		183645	1.09
	12-Apr-2019	-6661		176984	1.05
	19-Apr-2019	92140		269124	1.60
	26-Apr-2019	-17865		251259	1.50
	03-May-2019	-218786		32473	0.19
	10-May-2019	83086		115559	0.69
	17-May-2019	-610		114949	0.68
	24-May-2019	46765		161714	0.96
	31-May-2019	-45370		116344	0.69
	07-Jun-2019	-62801		53543	0.32
	14-Jun-2019	-7524		46019	0.27
	21-Jun-2019	29250		75269	0.45
	28-Jun-2019	71177		146446	0.87
	05-Jul-2019	-5523		140923	0.84
	12-Jul-2019	-6138		134785	0.80
	19-Jul-2019	-24139		110646	0.66
	26-Jul-2019	-78371		32275	0.19
	02-Aug-2019	-31775		500	0.00
	09-Aug-2019	-500		0	0.00
	13-Sep-2019	2121		2121	0.01
	20-Sep-2019	-2121		0	0.00
	18-Oct-2019	1197		1197	0.01
	25-Oct-2019	-1197		0	0.00
	08-Nov-2019	500		500	0.00
	15-Nov-2019	-500		0	0.00
	27-Dec-2019	600		600	0.00
	31-Dec-2019	-600		0	0.00
	06-Mar-2020	5000		5000	0.03
	13-Mar-2020	-5000		0	0.00

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
	20-Mar-2020	619		619	0.00
	27-Mar-2020	-619		0	0.00
	At the end of the year			0	0.00
4	RITA DHAWAN				
	At the beginning of the year	297602	1.77		
	Change during the Year	0	0.00		
	At the end of the year			297602	1.77
5	VIPUL BANSAL				
	At the beginning of the year	0	0.00	0	0.00
	Change during the Year				
	31-May-2019	200000		200000	1.19
	20-Sep-2019	11415		211415	1.26
	At the end of the year			211415	1.26
6	PRAFULCHANDRA ANANTRAI DESAI				
	At the beginning of the year	192980	1.15		
	Change during the Year				
	2-Aug-2019	-50000		142980	0.85
	At the end of the year			192980	0.85
7	SUMIT P DESAI (HUF)				
	At the beginning of the year	100000	0.60		
	Change during the Year				
	17-May-2019	69501		169501	1.01
	31-May-2019	499		170000	1.01
	At the end of the year			170000	1.01
8	DESAI NIRAL NEERAV				
	At the beginning of the year	141572	0.84		
	Change during the Year	0	0.00		
	At the end of the year			141572	0.84
9	PRAMOD KUMAR RAJPUT				
	At the beginning of the year	0	0.00		
	Change during the Year				
	30-Sep-2019	100000		100000	0.60
	06-Dec-2019	5000		105000	0.63
	27-Dec-2019	-1500		103500	0.62
	03-Jan-2020	-1050		102450	0.61
	10-Jan-2020	-2450		100000	0.60
	17-Jan-2020	2000		102000	0.61
	24-Jan-2020	-2000		100000	0.60
	07-Feb-2020	1000		101000	0.60
	14-Feb-2020	276		101276	0.60
	21-Feb-2020	1224		102500	0.61
	28-Feb-2020	679		103179	0.61
	06-Mar-2020	-179		103000	0.61
	13-Mar-2020	2000		105000	0.63



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
	20-Mar-2020	1000		106000	0.63
	At the end of the year			106000	0.63
10	KAMAL VISARIA				
	At the beginning of the year	100000	0.60		
	Change during the Year	0	0.00		
	At the end of the year			100000	0.60
11	JYOTIVARDHAN JAIPURIA				
	At the beginning of the year	90623	0.54		
	Change during the Year				
	22-Nov-2019	-1		90622	0.54
	At the end of the year			90622	0.54
12	INKAM FINVEST PVT LTD				
	At the beginning of the year	85300	0.51		
	Change during the Year				
	10-May-2019	-1000		84300	0.50
	26-Jul-2019	1000		85300	0.51
	07-Feb-2020	2615		87915	0.52
	At the end of the year			85300	0.52

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
1	Naresh Kumar Bansal				
	At the beginning of the year	6108000	36.37		
	Change during the Year	104578	0.62		
	At the end of the year			6212578	36.99
2	Richi Bansal				
	At the beginning of the year	1443000	8.59		
	Change during the Year	26287	0.16		
	At the end of the year			1469287	8.75

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	6895.43	121.18	NIL	7016.61
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
Total (i+ii+iii)	6895.43	121.18	NIL	7016.61

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	57220.35	2.60	NIL	57222.95
* Reduction	57254.66	63.84	NIL	57318.50
Net Change	34.31	61.24	NIL	95.55
Indebtedness at the end of the financial year				
i) Principal Amount	6861.12	59.94	NIL	6921.06
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
Total (i+ii+iii)	6861.12	59.94	NIL	6921.06

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, Director	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	47.60	41.60	3.03	92.23
	(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	-	-	-	-
	Total (A)	48.00	42.00	3.20	93.20
	Ceiling as per the Act	Due to the Inadequate profit, in terms of section 198 of the Companies Act, 2013 ("the Act"), the Remuneration to Managing Director & Director exceeds the prescribed ceiling as provided in section 197 of the Act read together with Schedule V of the Companies Act, 2013. Accordingly, Approval of Members of the Company by Special Resolution in Extra-Ordinary Meeting held on 3 rd March, 2017, under Section 196, 197, 203 and other applicable provisions, if any, of 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. Charat Sharma	Mr. Rajendra Prasad Khanna	Mrs. Anju Gupta	
1	Independent Directors					
	Fee for attending board committee meetings	0.30	0.10	0.00	0.35	0.75
	Remuneration by way of Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.30	0.10	0.00	0.35	0.75
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					0.75
	Total Managerial Remuneration Total=(A+B)					93.95

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	5.16	19.00	24.16
	(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	-	-	-
	Total	5.16	19.00	24.16

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
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: New Delhi
Date: June 29, 2020



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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
B-5 3rd Floor, Main Road, Ghazipur
New Delhi 110096

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** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** 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 31st March, 2020 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; **(Not applicable to the Company during the Audit Period)**
- 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 to the Company 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) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(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:
 - The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - The Factories Act, 1948
 - The Payment of Wages Act, 1936

- The Minimum Wages Act, 1948
- Employees Provident Fund And Misc. Provisions Act, 1952
- Employees State Insurance Act, 1948
- The Payment of Bonus Act, 1965
- The Environment (Protection) Act, 1986
- Income Tax Act 1961, Wealth Tax Act, Goods and Services Tax Act, 2016 and rules made thereof.
- Negotiable Instrument Act, 1881
- Maternity Benefits Act 1961
- Payment of Gratuity Act, 1972
- The Industrial Disputes Act, 1947
- The Child Labour (Regulation and Abolition) Act, 1970
- The Weekly Holidays Act, 1942
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder

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).

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 the Company obtained consent of shareholders by way of Special resolution in its Annual General meeting in respect of following matter:

- (i) Ratification of continuation of Sh. Bharat Bhushan Sahny (DIN: 00014334) as Non-Executive Independent Director of the Company
- (ii) Re-appointment of Sh. Bharat Bhushan Sahny (DIN: 00014334) as Non-Executive Independent Director of the Company.

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

Sd/-

(ARUN KUMAR GUPTA)

FCS: 5551

CP: 5086

UDIN: F005551B000393664

Place: Delhi

Date: 29/06/2020

**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 30, 2019 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, 2019 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, 2019;
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 2019-20**

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: ₹ 1273.08 lakhs
- Prescribed CSR Expenditure (Two percent of the Average Net Profit as in item 2): ₹ 25.46 lakhs
- Details of the amount spent for the financial year: ₹ 25.50 Lakhs

5. **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 ₹)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in ₹)	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	25,50,000	25,50,000	68,29,000	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	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



Annexure – V

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 ₹)	Last Employment
1	Mr. Naresh Kumar Bansal	Chairman and Managing Director	Law Graduate	66	39	26-02-1974	48,00,000	--
2	Mr. Richi Bansal	Director & Chief Executive Officer	B.Sc(H) in Management from Bradford University, U.K.	40	13	01-05-2007	42,00,000	--
3	Mr. Rajeev Kumar Agarwal	Chief Financial Officer	B.COM, FCA & FCS	34	11	01-06-2018	19,00,000	AZURE POWER INDIA PVT.LTD
4	Mr. Nikhil Naresh Bansal	Admin. Manager	Graduate	35	13	01-08-2006	9,60,000	--
5	Mr. Sushil Sharma	Senior Manager – Accounts & Admin	M.com	45	22	07-06-2017	8,40,000	VIBHOR STEEL TUBES PVT. LTD.
6	Mr. Alok Aggarwal	GM Sales & Marketing	Graduate	54	29	26-12-2017	7,44,000	HI-TECH PIPES LIMITED
7	Mr. A.M. Khan	GM-Operations	B.TECH	64	30	05-10-2019	7,33,870	HTL METAL PVT.LTD
8	Mr. Vinod Pal Singh	Commercial Manager	Graduate	38	16	01-05-2017	6,76,000	SPARK ELECTRODES PVT. LTD
9	Mr. Ranjeet Singh	Sr. Manager-Accounts & Finance	M.COM, MBA & PGDCA	39	21	24-04-2018	6,60,000	ACE HARDWARE PVT. LTD
10	Mr. Kapil Datta	Company Secretary	CS	30	6	01-09-2014	5,16,000	--

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, 2020, 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
	Mr. Surender Kumar Sharma
Independent Directors	Mr. Bharat Bhushan Sahny
	Mr. Rajendra Prasad Khanna (upto 17.11.2019)
	Mr. Charat Sharma (w.e.f. 17.11.2019)
	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

Eight 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
22-Apr-19	6	5
28-May-19	6	6
02-Aug-19	6	6
13-Aug-19	6	6
14-Nov-19	6	5
10-Jan-20	6	5
28-Jan-20	6	6
11-Feb-20	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 2019-20	Attendance at the AGM during 2019-20	No. of Other Directorship(s) on 31-03-2020	No. of Membership(s)/ Chairmanship of Committees in other Companies as on 31-03-2020
Naresh Kumar Bansal	8	YES	4	0
Richi Bansal	8	YES	3	0
Bharat Bhushan Sahny	6	YES	2	3
Rajendra Prasad Khanna (upto 17.11.2019)	5	YES	0	0
Surender Kumar Sharma	8	YES	1	0
Anju Gupta	7	YES	0	0
Charat Sharma (w.e.f. 17.11.2019)	3	N.A.	2	0

3. AUDIT COMMITTEE

Our audit committee ('the committee') comprised four Directors as on March 31, 2020:

Bharat Bhushan Sahny - Chairman of the Committee	Independent Director
Rajendra Prasad Khanna (upto 17.11.2019)	Independent Director
Charat Sharma (w.e.f. 17.11.2019)	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 Obligation and Disclosure Requirements) Regulations 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

Mr. Rajendra Prasad Khanna who was appointed as Independent Director on the Board of Director of the company for a term of 5 years w.e.f. 18.11.2014 to 17.11.2019. Mr. Charat Sharma was appointed as Additional Director (Non-executive Independent Director) by the Board of Directors of company w.e.f. 17.11.2019. Board has also appointed Mr. Sharma as member of audit committee in place of Mr. Rajendra Prasad Khanna w.e.f. 17.11.2019.

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.
- Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary

exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments

- 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, 2020:



Rajendra Prasad Khanna - Chairman of the Committee (upto 17.11.2019)	Independent Director
Charat Sharma - Chairman of the Committee (w.e.f. 17.11.2019)	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.

Mr. Rajendra Prasad Khanna who was appointed as Independent Director on the Board of Director of the company for a term of 5 years w.e.f. 18.11.2014 to 17.11.2019. Mr. Charat Sharma was appointed as Additional Director (Non-executive Independent Director) by the Board of Directors of company w.e.f. 17.11.2019. Board has also appointed Mr. Sharma as Chairman of Nomination and Remuneration Committee in place of Mr. Rajendra Prasad Khanna w.e.f. 17.11.2019.

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, 2020:

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, 2020:

Rajendra Prasad Khanna – Chairman of the Committee (upto 17.11.2019)	Independent Director
Charat Sharma – Chairman of the Committee (w.e.f. 17.11.2019)	Independent Director
Bharat Bhushan Sahny	Independent Director
Anju Gupta	Independent Director
Richi Bansal	Executive Director

Mr. Rajendra Prasad Khanna who was appointed as Independent Director on the Board of Director of the company for a term of 5 years w.e.f. 18.11.2014 to 17.11.2019. Mr. Charat Sharma was appointed as Additional Director (Non-executive Independent Director) by the Board of Directors of company w.e.f. 17.11.2019. Board has also appointed Mr. Sharma as Chairman of Stakeholders' Relationship Committee in place of Mr. Rajendra Prasad Khanna w.e.f. 17.11.2019.

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 31st March 2020, No complaint was received from the shareholder during the year 2019-20 and as on 31st March 2020, 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	5	1	2	2
Directors' Attendance				
Naresh Kumar Bansal	5	N.A.	N.A.	2
Richi Bansal	N.A.	1	N.A.	2
Bharat Bhushan Sahny	4	1	2	2
Rajendra Prasad Khanna (upto 17.11.2019)	4	-	2	N.A.
Anju Gupta	5	1	1	2
Charat Sharma (w.e.f. 17.11.2019)	1	1	-	N.A.

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, 2020:

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.

Meeting of the finance committee was held on May 20, 2019.

8. DETAILS OF REMUNERATION OF EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Name of the Director	Salary	Bonus	Perquisites	Contribution to PF	Pension	Total
Naresh Kumar Bansal	47.60	-	0.40	-	-	48.00
Richi Bansal	41.60	-	0.40	-	-	42.00
Surender Kumar Sharma	3.03	-	-	0.17	-	3.20



DETAILS OF REMUNERATION OF NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Name of the Director	Sitting Fees	Total
Bharat Bhushan Sahny	0.30	0.30
Rajendra Prasad Khanna (upto 17.11.2019)	0.00	0.00
Anju Gupta	0.35	0.35
Charat Sharma (w.e.f. 17.11.2019)	0.10	0.10

9. FRAMEWORK FOR MONITORING SUBSIDIARY COMPANIES

Post the closure of financial year 2018-19, Lepakshi Tubes Private Limited, a wholly owned subsidiary of Rama Steel Tubes Limited has become material subsidiary.

The provisions of Regulation 24(1) of the Listing Regulations, appointment of one of the Independent Directors of the Company on the Board of material subsidiaries are not applicable to Lepakshi Tubes Private Limited.

10. 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, 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
March 31, 2019	September 30, 2019 11.30 a.m.	JP Hotel & Resorts, 6B, Patparganj, I.P. Extension, NH-24, Behind CNG Petrol Pump, Delhi- 110 092	<ul style="list-style-type: none"> Ratification of continuation of Sh. Bharat Bhushan Sahny (DIN: 00014334) as Non-Executive Independent Director of the Company Re-appointment of Sh. Bharat Bhushan Sahny (DIN: 00014334) as Non-Executive Independent Director of the Company.

Extra-ordinary General Meeting

No Extra-ordinary General Meeting of the members of the RAMA was held during the year 2019-20.

The Company is in compliance with Regulation 24A of the Listing Regulations. The Company's unlisted material subsidiary Lepakshi Tubes Private Limited undergo Secretarial Audit. Copy of Secretarial Audit Report of is available on the website of the Company. The Secretarial Audit report of Lepakshi Tubes Private Limited does not contain any qualification, reservation or adverse remark or disclaimer.

The Company monitors performance of subsidiary companies, *inter alia*, by the following means:

- Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board.
- Presentations are made to the Company's Board on business performance by the senior management on major subsidiaries of the Company.

Postal Ballot

No resolution was passed through postal ballot during last 3 financial years ended on March 31, 2018, March 31, 2019 and March 31, 2020.

11. MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance towards this end:

a. Quarterly/Half Yearly/Nine Monthly/ Annual Results:

The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are intimated to the Stock Exchanges immediately after they are approved by the Board.

b. Publication of Quarterly/ Half Yearly/Nine Monthly/ Annual Results:

The quarterly financial results during the financial year 2019-20 were published as detailed below:

Quarter (F.Y. 2019-20)	Date of Board Meeting	Date of Publication	Newspapers
1 st Quarter	13.08.2019	14.08.2019	Business Standard (English) Business Standard (Hindi)
2 nd Quarter	14.11.2019	15.11.2019	Financial Express (English) Jansatta (Hindi)
3 rd Quarter	11.02.2020	12.02.2020	Financial Express (English) Jansatta (Hindi)

c. Website:

The results are displayed on the Company's website "www.ramasteel.com". The Company's website (www.ramasteel.com) contains a separate dedicated section "Investor Relations".

d. News releases, presentations:

Official news releases and official media releases are sent to Stock Exchanges and are also available on the website of the Company.

e. Annual Report:

The Annual Report containing, *inter alia*, Audited Financial Statement, Audited Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.

f. NSE Electronic Application Processing System (NEAPS):

NEAPS is a web-based application designed by NSE for corporates. All periodical and other compliance filings are filed electronically on NEAPS.

g. BSE Listing Centre (Listing Centre):

BSE's Listing Centre is a web-based application designed for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.

12. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting		
	Date	:	
	Time	:	As mentioned in the Notice of the 46 th AGM
	Venue	:	
ii.	Financial Calendar	:	1 st April to 31 st March every year
iii.	Date of book closure / record date	:	As mentioned in the Notice of the 46 th AGM
iv.	Dividend Payment Date	:	During the year 2019-20, dividend was not declared.
v.	Listing on stock exchanges	:	National Stock Exchange of India Limited (NSE)– Exchange Plaza, Bandra – Kurla Complex, Bandra(E), Mumbai – 400 051 BSE Limited – Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	Listing fees as applicable have been paid.	:	Annual Listing fees for the financial year 2020-21 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	:	B-5, 3 rd Floor, Main Road, Ghazipur, New Delhi – 110096												
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	:	99.77% 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.												
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	:	None												
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"> • B-21, Site No. 4, Industrial Estate, Sahibabad, Uttar Pradesh. • B-5, Site No. 4, Industrial Estate, Sahibabad, Uttar Pradesh. • 151, Village Umbare, Taluka Khalapur, Khopoli, Pali Road, Dist. Raigad, Maharashtra. 												
xvi.	Credit Ratings		<p>The Company has received following credit ratings from CARE:</p> <p>1. June 6, 2019</p> <table border="1"> <tr> <td>Long term Bank Facilities</td> <td>CARE BBB; Negative (Triple B; Outlook: Negative)</td> </tr> <tr> <td>Long term/ Short term Bank Facilities</td> <td>CARE BBB; Negative/ CARE A3+ (Triple B Minus; Outlook: Negative/ A Three Plus)</td> </tr> </table> <p>2. October 7, 2019</p> <table border="1"> <tr> <td>Long term Bank Facilities</td> <td>CARE BBB-; Stable (Triple B Minus; Outlook: Stable)</td> </tr> <tr> <td>Long term/ Short term Bank Facilities</td> <td>CARE BBB-; Stable/ CARE A3 (Triple B Minus; Outlook: Stable/ A Three)</td> </tr> </table> <p>3. February 20, 2020</p> <table border="1"> <tr> <td>Long term Bank Facilities</td> <td>CARE BBB-; Negative (Triple B Minus; Outlook: Negative)</td> </tr> <tr> <td>Long term/ Short term Bank Facilities</td> <td>CARE BBB-; Negative/ CARE A3 (Triple B Minus; Outlook: Negative/ A Three)</td> </tr> </table>	Long term Bank Facilities	CARE BBB; Negative (Triple B; Outlook: Negative)	Long term/ Short term Bank Facilities	CARE BBB; Negative/ CARE A3+ (Triple B Minus; Outlook: Negative/ A Three Plus)	Long term Bank Facilities	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Long term/ Short term Bank Facilities	CARE BBB-; Stable/ CARE A3 (Triple B Minus; Outlook: Stable/ A Three)	Long term Bank Facilities	CARE BBB-; Negative (Triple B Minus; Outlook: Negative)	Long term/ Short term Bank Facilities	CARE BBB-; Negative/ CARE A3 (Triple B Minus; Outlook: Negative/ A Three)
Long term Bank Facilities	CARE BBB; Negative (Triple B; Outlook: Negative)														
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Long term Bank Facilities	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)														
Long term/ Short term Bank Facilities	CARE BBB-; Stable/ CARE A3 (Triple B Minus; Outlook: Stable/ A Three)														
Long term Bank Facilities	CARE BBB-; Negative (Triple B Minus; Outlook: Negative)														
Long term/ Short term Bank Facilities	CARE BBB-; Negative/ CARE A3 (Triple B Minus; Outlook: Negative/ A Three)														

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 2019-20 is given:

(Amount in ₹)

Month	BSE			NSE		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
Apr-19	126.75	99.25	72901	127	100	1982263
May-19	119	88	325875	119.8	86.7	4625745
Jun-19	109.7	83.5	80719	114.55	83	1600423
Jul-19	95	48.1	205105	94.4	52.05	2642653
Aug – 19	63	52	16199	63.1	50.05	276746
Sep – 19	63.9	54	8886	65.9	53.05	290219
Oct – 19	61.5	42.2	17287	59.95	48.70	123353
Nov – 19	53.2	38.25	16607	53.2	38	216591
Dec – 19	55.95	30.3	41038	48.9	34.2	394295
Jan – 20	54.3	40	20865	55	40.35	263094
Feb – 20	53	35.95	6618	54.75	34	132656
Mar – 20	35	17.85	19817	37.4	16.1	220729

TABLE – II

Chart A: Rama's Share Performance versus Nifty:

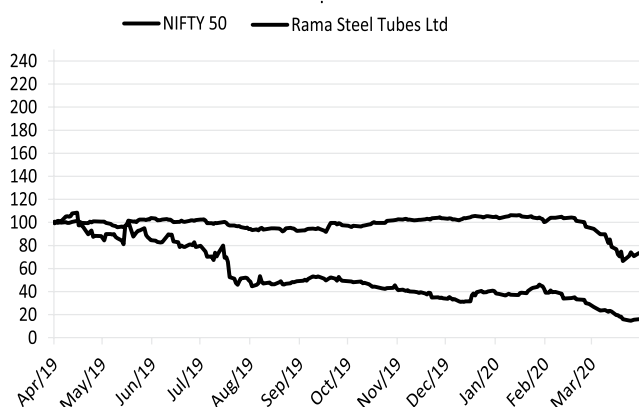
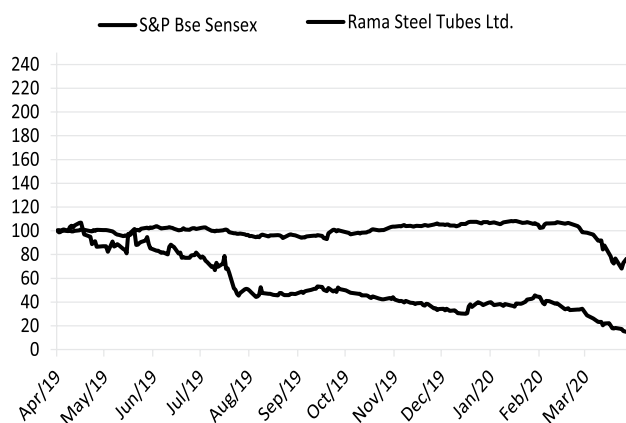


Chart B: Rama's Share Performance versus BSE Sensex:



Distribution of Equity Shareholding as on March 31, 2020

Category (Shares)	Number of Shareholders	% to Total Shareholders	No. of Shares	% of Total Shares
1-500	3229	82.562	340707	2.0287
501-1000	259	6.6223	212672	1.2664
1001-2000	121	3.0938	185713	1.1058
2001-3000	85	2.1734	218100	1.2987
3001-4000	33	0.8438	118369	0.7048
4001-5000	26	0.6648	121720	0.7248
5001-10000	73	1.8665	529841	3.1549
10001 and above	85	2.1734	15066878	89.7158
TOTAL	3911	100.0000	16794000	100.0000



TABLE – III

CATEGORY OF SHAREHOLDERS AS ON 31ST MARCH 2020:

Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B)
Promoter and Promoter Group	6	10290863	61.28
Corporate Bodies	55	409021	2.43
Clearing Members	45	95524	0.57
Public	3724	5893451	35.09
Non Resident Indians	79	105141	0.63
TOTAL	3909	16794000	100.00

TABLE – IV

DEMATERIALISATION OF EQUITY SHARES AS ON 31ST MARCH 2020

Mode of Holding	No. of Shares	Percentage (%)
NSDL	65,76,786	39.16
CDSL	1,01,78,213	60.16
Physical	39,001	0.23

13. 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.

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>

- c) 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.

Web link for policy for determining 'material' subsidiaries: <http://ramasteel.com/cms/policy-and-code-of-conduct>

Web link for policy on dealing with related party transactions: <http://ramasteel.com/cms/policy-and-code-of-conduct>

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

14. The Company complied with all the requirement of corporate governance report said out in the schedule V of SEBI (LODR) Regulations, 2015.
15. 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.
16. 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 2019-20.

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

Place: New Delhi
Date: August 12, 2020

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 31st March, 2020 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: New Delhi
Date: August 12, 2020



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Rama Steel Tubes Limited
B-5, 3rd Floor, Main Road, Ghazipur
New Delhi 110096

We have examined the compliance of conditions of Corporate Governance by **RAMA STEEL TUBES LIMITED** for the year ended **31st March, 2020**, 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

Sd/
(ARUN KUMAR GUPTA)
FCS: 5551
CP: 5086
UDIN: F005551B000393719

Place: Delhi
Date: 29/06/2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Rama Steel Tubes Limited
B-5, 3rd Floor, Main Road, Ghazipur, New Delhi 110096

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rama Steel Tubes Limited** having CIN L27201DL1974PLC007114 and having registered office at B-5, 3rd Floor, Main Road, Ghazipur, New Delhi 110096 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Mr. Bharat Bhushan Sahny	00014334	18/11/2014
2.	Mr. Richi Bansal	00119206	01/05/2007
3.	Mr. Naresh Kumar Bansal	00119213	26/02/1974
4.	Mr. Charat Sharma	02727514	17/11/2019
5.	Mr. Surender Kumar Sharma	03594435	04/05/2016
6.	Ms. Anju Gupta	06958607	25/01/2017

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

Sd/
(ARUN KUMAR GUPTA)
FCS: 5551
CP: 5086
UDIN: F005551B000393697

Place: Delhi
Date: 29/06/2020

**STANDALONE
FINANCIAL
STATEMENTS**



INDEPENDENT AUDITOR'S REPORT

To the Members of RAMA STEEL TUBES LIMITED Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **RAMA STEEL TUBES LIMITED** ("the Group"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profits, 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 Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 on the standalone financial statements.

Emphasis of Matter

We draw your attention to Note 50 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID -19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>1. Adoption of Ind AS 116 'Leases'</p> <p>The company has adopted Ind AS 116 Leases (IND AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the company has many leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease terms as per contract/arrangement. Adoption of the standard involves significant judgements including determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p>	<p>Our audit procedures on adoption of Ind AS 116 included:</p> <ul style="list-style-type: none"> Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116) Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. Involved our specialists to evaluate the reasonableness of the discount rates Upon transition as at 1 April 2019: <ul style="list-style-type: none"> Evaluated the method of transition and related adjustments Tested completeness of the lease data by reconciling the company's lease commitments to data used in computing ROU Asset and the lease liabilities. Assessed the key terms and conditions of each lease and the key estimates such as discount rates and the lease term.

<p>Refer Note 45 to the standalone financial statements.</p>	<ul style="list-style-type: none"> • Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.
<p>2. Related Party Transactions</p> <p>The Company has entered into several transactions with related parties during the year 2019-20. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the standalone financial statements including recoverability thereof; compliance with statutory regulations governing relate party relationships such as the Companies Act,2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length.</p> <p>Refer Note 46 to the standalone financial statements.</p>	<p>Our audit procedures on related party transactions included:</p> <ul style="list-style-type: none"> • Assessed the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard. • Assessed compliances with the listing regulations and the regulations under Companies Act,2013 including checking of approvals/scrutiny as specified in Sections 177 and 188 of the Companies Act,2013 with respect to the related party transactions. • Considered the adequacy and appropriateness of the disclosures in the standalone financial statements, including recoverability thereof, relating to the related party transactions. • Inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. Further, we also tested completeness of related parties with reference to the various registers maintained by the company statutorily. • On a sample basis, tested Company's assessment of related party transactions for arms' length pricing.

Key Audit Matter	Auditor's Response
<p>1. Provisions and contingent liabilities in relation to tax positions</p> <p>Company has received outstanding demands and show cause notices from various tax authorities.</p> <p>The Management have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> <p>Refer Note 41 to the standalone financial statements.</p>	<p>We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the company if any, where relevant to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For Legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> □ Testing key controls surrounding litigation, regulatory and tax procedures. □ Performing substantive procedures on the underlying calculations supporting the provisions recorded. □ Where relevant, reading external legal opinions obtained by the management □ Discussing open matters with the litigation, regulator, general counsel and tax teams □ Assessing management's conclusions through understanding precedents set in similar cases. <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31,2020 to be appropriate.</p>

**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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 standalone 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone 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 standalone 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 standalone 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 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Accounting Standards specified 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 as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 B".
 - 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 is not required to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For Alok Mittal & Associates

Chartered Accountants

ICAI Firm Registration Number: 005717N

Alok Kumar Mittal

Partner

Membership Number: 071205

Place: New Delhi

Date: June 29, 2020

UDIN: 20071205AAAAHY9286

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RAMA STEEL TUBES LIMITED of even date)

- i. (a) The company is maintaining 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 programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the standalone 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 Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said 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. Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate or

complete.

- vii. (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, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) The particulars of dues of Entry Tax as at March 31, 2020 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of Dues	Amount in Lacs (₹)	Period to which dues Related	Authority where the Dispute is Pending for Decision
UP Tax on Entry of Goods into Local Areas Ordinance, 2007	Constitutional Validity of the ordinance has been challenged	69.90	Nov 2008 to March 2011	Allahabad High Court

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any bank. Further, the company has not obtained any loan or borrowing from government or financial institution.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given



to us, money raised by way of term loans have been applied by the company during the year for the purposes for which they were raised.

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. The Company has paid/ provided for managerial remuneration during the year in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 198 of the Act. The details of such related party transactions have been disclosed in the Standalone 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 (xvi) 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: New Delhi

Date: June 29, 2020

UDIN: 20071205AAAAHY9286

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(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, 2020 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 obtained by us are 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 unauthorized 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 be come in adequate 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, 2020, 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: New Delhi

Date: June 29, 2020

UDIN: 20071205AAAAHY9286

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	2,172.70	2,367.05
Capital Work in Progress	3	678.97	92.62
Investment Properties	4	363.51	378.03
Intangible Assets	5	0.67	1.80
Right of Use Assets	6	141.56	-
Investment in Subsidiaries, Associates & Joint Ventures	7	1,338.95	1,032.93
Financial assets			
(i) Investments	8	0.61	0.61
(ii) Other financial assets	9	2,261.10	1,075.68
Deferred tax assets(net)	19	-	-
Other non current assets	10	66.28	75.63
Total non current assets		7,024.35	5,024.35
Current Assets			
Inventories	11	2,745.01	4,783.45
Financial Assets			
(i) Trade Receivables	12(a)	5,505.21	4,882.58
(ii) Cash and Cash Equivalents	12(b)	652.09	636.87
(iii) Bank balances other than (ii) above		-	-
(iv) Other Financial Assets	12(c)	24.23	20.38
Other current assets	13	2,938.85	2,232.67
Total current assets		11,865.39	12,555.95
Total Assets		18,889.74	17,580.30
Equity and Liabilities			
Equity			
Equity Share Capital	14	839.70	839.70
Other Equity	15	7,536.35	7,326.29
Total equity		8,376.05	8,165.99
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	16	1,130.28	1,007.62
(ii) Other financial liabilities	17	94.00	75.58
Provisions	18	51.61	42.78
Deferred Tax Liabilities (Net)	19	198.46	86.97
Total non-current liabilities		1,474.35	1,212.95
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20(a)	5,613.09	5,849.48
(ii) Trade Payables	20(b)	3,035.26	1,875.57
(iii) Other Financial Liabilities	20(c)	177.68	159.50
Provisions	21	29.54	29.61
Other Current Liabilities	22	174.77	235.45
Current Tax Liability(net)	23	8.99	51.75
Total current liabilities		9,039.33	8,201.36
Total equity and liabilities		18,889.74	17,580.30

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 : Delhi
Date : June 29, 2020

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, 2020

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	24	29,176.13	40,455.87
Other income	25	472.34	326.92
Total Income		29,648.47	40,782.79
Expenses:			
Cost of Materials consumed	26	23,357.11	32,737.76
Purchase of stock-in-trade (traded goods)	27	3,861.38	5,156.42
Changes in inventories of finished goods, work-in-progress and stock-in-Trade	27	(189.64)	(341.94)
Employee Benefit Expense	28	530.55	500.91
Financial Costs	29	807.06	764.78
Depreciation and Amortization	30	221.78	218.33
Other Expenses	31	1,024.12	981.54
Total expenses		29,612.36	40,017.80
Profit before share of net profits of investments in Associates and Joint Ventures		36.11	764.99
Share of net profits of associates and joint ventures accounted for using the equity method		306.02	245.10
Profit before tax		342.13	1,010.09
Tax expense:	32		
(a) Current tax		18.99	217.19
(b) Deferred tax Charge		111.76	2.34
(c) Income Tax of earlier year		0.48	28.02
Total Tax Expense		131.24	247.55
Profit/(Loss) for the Year		210.89	762.54
Other Comprehensive Income(OCI)			
Items that will not be reclassified to Profit & Loss subsequently			
-Remeasurement of the Defined Benefit Plans to Employees		(1.11)	(0.47)
-Income Tax relating to Items that will not be reclassified to Profit & Loss		0.27	0.13
Items that will be reclassified to Profit & Loss subsequently			
-Exchange Difference on translation of Foreign operations		-	-
-Income Tax relating to Items that will be reclassified to Profit & Loss		-	-
Total Other comprehensive Income for the Year		(0.84)	(0.34)
Total Comprehensive Income for the year		210.06	762.20
Earnings per share			
Basic Earnings per share		1.25	4.54
Diluted earnings per share		1.25	4.54

As per our attached report of even date

For Alok Mittal & AssociatesChartered Accountants
Firm Reg. No. 005717N

Sd/-

Alok Kumar Mittal

Partner

Membership No. 071205

Place : Delhi

Date : June 29, 2020

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, 2020

(₹ in Lakhs)

S No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	Cash Flow from operating activities		
	Net Profit before Tax	342.13	1,010.09
	Adjustments For		
	Depreciation and amortisation expense	221.78	218.33
	Finance Cost	807.06	764.78
	Remeasurement of the Defined Benefit Plans to Employees routed through OCI	(1.11)	(0.47)
	Foreign Exchange Fluctuation directly debited to Exchange Reserve	-	-
	Share of Profit in Joint Venture	(306.02)	(245.10)
	Interest Income on FD with banks	(250.84)	(123.21)
	Prior Period Adjustment	-	(28.46)
	Loss/(Gain) on sale of property, plant and equipment	-	3.19
	Operating Profit before working capital changes	813.01	1,599.15
	Adjustment for Working Capital Changes		
	Decrease/(Increase) in Inventories	2,038.44	(1,493.80)
	Decrease/(Increase) in Trade receivables	(622.62)	(1,631.45)
	Decrease/(Increase) in other financial and non-financial assets	(1,886.11)	(730.24)
	(Decrease)Increase in Trade Payables	1,159.69	1,507.00
	(Decrease)Increase in other financial, non financial liabilities and provisions	(15.31)	125.17
	Cash generated from Operations	1,487.10	(624.17)
	Net Direct Taxes paid	(62.23)	(507.09)
	Net Cash flow from operating activities	1,424.87	(1,131.26)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale / (Purchase) of Property, Plant and equipment (Including Capital Work in Progress)	(598.14)	(163.65)
	Addition / Deletion to right of Use Assets	(141.56)	
	Addition to Investment Properties	-	(21.56)
	Addition to Intangible Assets	-	-
	Increase in Investment in Subsidiaries, Associates & Joint Ventures	(306.02)	(245.10)
	Proceeds from sale of Property, Plant and Equipments	-	8.26
	Proceeds from sale of Investment Properties	-	-
	Share of Profit in Joint Venture	306.02	245.10
	Interest received	250.84	123.21
	Net cash flow from investing Activities	(488.86)	(53.74)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Equity Shares including Share Premium & Share Warrants	-	-
	Redemption of Preference Shares	-	-
	Proceeds from Borrowings (Secured)	(113.73)	1,958.39
	Interest paid	(807.06)	(764.78)



(₹ in Lakhs)

S No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Net Cash from financing Activities	(920.78)	1,193.61
	NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	15.22	8.61
	Opening balance of Cash & Cash equivalents(April 1, 2019/April 1, 2018)	636.87	628.26
	Closing balance of Cash & cash equivalent	652.09	636.87
	Cash and cash Equivalents comprises		
	Cash in Hand	5.46	6.19
	<u>Balance with Scheduled Banks</u>		
	-In current Accounts	60.68	18.39
	-In Fixed Deposit Accounts with original maturity of less than 3 months	585.95	612.29
	Total Cash and Cash Equivalents	652.09	636.87
	Total		

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 Standards) Rules,2015, as amended.
- 2 Figures in Bracket indicate cash outflow

As per our attached report of even date

For Alok Mittal & AssociatesChartered Accountants
Firm Reg. No. 005717N

Sd/-

Alok Kumar Mittal
Partner
Membership No. 071205

Place : Delhi

Date : June 29, 2020

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 YEAR ENDED MARCH 31, 2020

a. Equity share capital

Particulars	(₹ in Lakhs)
As at March 31, 2018	839.70
Equity shares issued during the Year	-
As at March 31, 2019	839.70
Equity shares issued during the period ended on March, 31, 2020	-
As at March 31, 2020	839.70

b. Other equity

Particulars	Reserves and Surplus				Money recd. against Share Warrants	Total
	General Reserve#	Retained Earnings	Securities Premium Reserve^	Capital Reserve		
Balance as at March 31, 2018	1,277.28	2,913.38	2,176.20	-	225.70	6,592.57
Profit for the year	-	762.54	-	-	-	762.54
Other comprehensive income for the year						
- Remeasurement of the Defined Benefit Plans to Employees	-	(0.34)	-	-	-	(0.34)
- Adjustment of Prior Period Expenses	-	(28.46)	-	-	-	(28.46)
- Exchange Difference on Foreign Currency Translation	-	-	-	-	-	-
- Transfer from Retained Earnings to General Reserves	-	-	-	-	-	-
- Foreiture of Money Recd. against Share Warrants	-	225.70	-	-	(225.70)	-
Balance as at March 31, 2019	1,277.28	3,872.82	2,176.20	-	-	7,326.29
Profit for the year	-	210.89	-	-	-	210.89
Other comprehensive income for the year						
- Remeasurement of the Defined Benefit Plans to Employees	-	(0.84)	-	-	-	(0.84)
- Transfer from Retained Earnings to capital reserve on account of foreclosure of Money Recd. Against share Warrants	-	(225.70)	-	225.70	-	-
- Exchange Difference on Foreign Currency Translation	-	-	-	-	-	-
- Transfer from Retained Earnings to General Reserves	-	-	-	-	-	-
Balance as at March 31, 2020	1,277.28	3,857.17	2,176.20	225.70	-	7,536.35

#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.

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 : Delhi
Date : June 29, 2020

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, 2020****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 B-5, 3rd Floor, Main Road, Ghazipur, New Delhi-110096. 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, District Ghaziabad in Uttar Pradesh and Khopoli, District 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 Leases

As a lessee The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee,

except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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 ora 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.

3.19 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.

3.20 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.

3.21 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	Capital Work-in Progress	Total
Year ended 31 March, 2020										
Gross Carrying Amount										
Gross Carrying Cost as of April 1, 2019	108.72	423.07	4.74	2,191.71	21.58	32.97	7.07	66.31	92.62	2,948.79
Additions during the year	-	3.29	27.58	21.58	14.82	0.51	0.53	-	586.35	654.65
Diposals during the year	-	-	-	-	-	-	-	-	-	-
Closing Gross carrying amount	108.72	426.36	32.32	2,213.29	36.40	33.48	7.60	66.31	678.97	3,603.44
Accumulated Depreciation										
As at April 1, 2019	-	55.32	2.05	463.00	10.90	12.57	4.82	12.11	-	560.78
Depreciation charged during the year	-	14.09	1.25	151.76	4.10	3.13	0.84	15.84	-	191.00
Disposals during the year	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	69.41	3.30	614.76	15.00	15.70	5.66	27.94	-	751.78
Net carrying value as on March 31, 2020	108.72	356.94	29.03	1,598.53	21.40	17.78	1.94	38.37	678.97	2,851.67

NOTE 4 : INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Car	Elect. Fitting & Installation	Total
Year ended 31 March, 2020								
Gross Carrying Amount								
Gross Carrying Cost as of April 1, 2019	95.06	295.59	16.79	6.05	6.96	-	15.05	435.50
Additions during the year	-	-	-	-	-	-	-	-
Diposals during the year	-	-	-	-	-	-	-	-
Closing Gross carrying amount	95.06	295.59	16.79	6.05	6.96	-	15.05	435.49
Accumulated Depreciation								
As at April 1, 2019	-	39.29	3.29	2.72	5.12	-	7.05	57.46
Depreciation charged during the year	-	10.11	1.27	0.91	-	-	2.24	14.53
Disposals during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	49.40	4.57	3.64	5.12	-	9.29	71.98
Net carrying value as on March 31, 2020	95.06	246.19	12.22	2.41	1.84	-	5.76	363.51

**NOTE 5 : INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	Computer Software	Total
Period ended 31 March, 2020		
Gross Carrying Amount		
Deemed Cost as of April 1, 2019	13.84	13.84
Additions during the year	-	-
Disposals during the year	-	-
Closing Gross carrying amount	13.84	13.84
Accumulated Depreciation		
Opening	12.04	12.04
Depreciation charge during the year	1.12	1.12
Disposals during the year	-	-
Closing accumulated depreciation	13.15	13.15
Net carrying value as on March 31, 2020	0.67	0.67

NOTE 6 : RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Land	Commercial Vehicles	Total
Balance as at March 31, 2019	-	-	-
Reclassified on adoption of IND-AS 116	66.84	70.45	137.29
Additions	-	18.21	18.21
Deductions	-	-	-
Depreciation/Amortisation	1.60	12.34	13.94
Net carrying value as on March 31, 2020	65.24	76.32	141.56

Note 7 : Investment in Subsidiaries, Associates and Joint Ventures

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Investment in Subsidiaries (Unquoted and valued at cost)		
M/s Lepakshi Tubes Pvt. Ltd.	490.00	490.00
49,00,000 (as at 31st March 2019 : 49,00,000) Equity Shares of ₹10/- each fully paid up		
M/s RST International Trading FZE, Dubai	90.20	90.20
500 (as at 31st March 2019 : 500) Equity Shares of AED 1000/- each fully paid up		
b) Investment in Joint Venture		
M/s Pir Panchal Construction Pvt. Ltd. Joint Venture	758.75	452.73
	1,338.95	1,032.93

Details of Joint Ventures

Name of the Joint Venture	Principal Place of Business/ Principal Activity	Ownership Interest % as of	
		As at March 31, 2020	As at March 31, 2019
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	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Joint Ventures	758.75	452.73

NOTE 8 : INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments		
-Others		
Quoted		
60,500 (as at 31st March 2019: 60,500) Face value of Equity shares of ₹10/- each fully paid up of Uttam Value Steels Limited	0.60	0.60
25 (as at 31st March 2019: NIL) Equity shares of ₹25/- each fully paid up of SVC-Cooperative Bank Limited	0.01	-
Unquoted		
2 (as at 31st March 2019: 2) Equity shares of ₹10 each fully paid up of CIDCO Mumbai	0.00	0.00
Total	0.61	0.61

NOTE 9 : OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security Deposits	82.11	74.06
Loans to Subsidiaries	1456.37	649.05
Others	593.80	234.20
Bank Deposits with maturity period more than 12 months*	128.83	118.37
Total	2,261.10	1,075.68

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

NOTE 10 : OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Capital Advances	66.28	10.38
Operating Lease Prepayments	-	65.25
Unamortized Expenses	-	-
Total	66.28	75.63

NOTE 11 : INVENTORIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Raw Materials (Including material in-transit ₹ NIL/- (As at 31st March, 2019 : ₹ 555.52 Lakhs)	1,334.55	3,565.11
Finished Goods	767.88	626.88
Work-in-progress	572.53	548.69
Scrap Material	37.22	12.40
Traded Goods	-	-
Stores, spares and consumable	32.84	30.37
Total	2,745.01	4,783.45

**NOTE 12(A) : TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Considered Good	5,505.21	4,882.58
Total	5,505.21	4,882.58

NOTE 12(B) : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
-Current Accounts	60.68	18.39
-In Fixed deposit accounts with original maturity of less than 3 months*	585.95	612.29
Cash in Hand	5.46	6.19
Total	652.09	636.87

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

NOTE 12(C) : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on loans, investments and deposits	24.23	20.38
Total	24.23	20.38

NOTE 13 : OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other capital advances		
Advance to suppliers and others	1,860.54	956.30
Balance with Government Authorities	839.26	915.14
Prepaid Expenses	19.44	67.22
Operating Lease Prepayments	-	1.59
Other Receivables	219.61	292.42
Total	2,938.85	2,232.67

Note 14 - Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Share Capital		
Authorized:		
1,80,00,000 (as at 31st March 2019: 1,80,00,000) Equity Shares of ₹5/- each	900.00	900.00
25,00,000 (as at 31st March 2019: 25,00,000) 5% Non Cumulative Redeemable Preference shares of ₹ 10/- each	250.00	250.00
	1,150.00	1,150.00
Issued, Subscribed & Paid up:		
1,67,94,000 (as at 31st March 2019: 1,67,94,000) Equity Shares of ₹5/- each fully paid up	839.70	839.70
Total	839.70	839.70

B. Reconciliation of Number of Shares

Equity Shares of ₹5/- Each fully paid up	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
Balance as at the beginning of the year	16,794,000	839.70	16,794,000	839.70
Additions during the year:	-	-	-	-
Deletion during the year :	-	-	-	-
Balance as at the end of the year	16,794,000	839.70	16,794,000	839.70

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Naresh Kumar Bansal	6,185,073	36.83	6,108,000	36.37
Richi Bansal	1,469,289	8.75	1,443,000	8.59
Nikhil Naresh Bansal	1,356,000	8.07	1,341,000	7.98
Arun Enterprises (a Partnership Firm)	1,209,821	7.20	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 15 : OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Securities Premium Account	2,176.20	2,176.20
General Reserve	1,277.28	1,277.28
Retained Earnings	3,857.17	3,872.82
Capital Reserve	225.70	-
Total	7,536.35	7,326.29

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

NOTE 16 : BORROWINGS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loans from banks#	1,248.02	1,045.95
Less: Current Maturities transferred to Other financial liabilities	(177.68)	(159.50)
	1,070.34	886.45
Unsecured Loans		
Loan from Directors	-	51.33
Loans and Advances from Related Parties	59.94	69.84
	59.94	121.17
Total	1,130.28	1,007.62

Loan against property (LAP) is 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. Term loan for plant expansion is secured by way of hypothecation of plant and machinery purchased from proposed term loan and factory land and Building at Survey No.155,H.No. 4A, Village Umbare, Taluka Khalapur, District Raigad-410203, Maharashtra. Vehicle loan is secured by



way of hypothecation of vehicle.

- First Term loan against property (LAP) from bank outstanding amounting ₹500.45 Lakhs as at 31.03.2020 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 : 8.35% plus 0.95 % p.a.) with periodical interest reset.
- Second topup term loan against property (LAP) from bank outstanding amounting ₹128.45 Lakhs as at 31.03.2020 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: 8.35% plus 1.40 % p.a.) with periodical interest reset.
- Third topup term loan against property (LAP) from bank outstanding amounting ₹227.24 Lakhs as at 31.03.2020 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: 8.35% plus 0.95 % p.a.) with periodical interest reset.
- Term loan for plant expansion from bank outstanding amounting ₹348.32 Lakhs as at 31.03.2020 are payable in 49 monthly installments commencing from July 2020 to July 2024 with rate of interest 10% p.a. at year end.
- First Vehicle term loan from bank outstanding amounting ₹31.69 Lakhs as at 31.03.2020 are payable in 60 monthly installments commencing from March 2017 to Feb 2022 with rate of interest 9.75% p.a. at year end.
- Second Vehicle term loan from bank outstanding amounting ₹11.87 Lakhs as at 31.03.2020 are payable in 60 monthly installments commencing from October 2019 to Sept 2024 with rate of interest 9.05% p.a.

Note: Installments falling due in respect of all the above loans upto 31st March, 2020 have been grouped under "" Current Maturities of long term debt"". (Refer Note 20 (c).

NOTE 17 : OTHER FINANCIAL LIABILITIES (NON CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security Deposits	94.00	75.58
Total	94.00	75.58

NOTE 18 : PROVISIONS (NON CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Gratuity	46.43	38.37
Compensated Absences	5.19	4.41
Total	51.61	42.78

NOTE 19 : DEFERRED TAX ASSETS/LIABILITIES(Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Provision for Gratuity and Compensated Absences	20.43	21.20
	20.43	21.20
Deferred Tax Liabilities		
Depreciation	218.88	108.17
OCI Adjustments	-	-
	218.88	108.17
Deferred Tax Assets(Net)	-	-
Deferred Tax Liabilities(Net)	198.46	86.97

NOTE 20(A) : BORROWINGS (CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Secured		
Loans Repayable on demand from Banks*	5,613.09	5,849.48
Unsecured		
Other Loans from Banks	-	-
Total	5,613.09	5,849.48

* 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 20(B) : TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues to Micro, Small and medium Enterprises (Refer Note No-44)	-	2.70
Total outstanding dues to other than Micro, Small and medium Enterprises	3,035.26	1,872.87
Total	3,035.26	1,875.57

NOTE 20(C) : OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current Maturities of term loans transferred from long term borrowings	177.68	159.50
Total	177.68	159.50

NOTE 21 : PROVISIONS (CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Gratuity	26.58	26.64
Compensated Absences	2.96	2.97
Total	29.54	29.61

NOTE 22 : OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Advance from Customers and Others	82.30	154.16
Statutory Levies	11.52	12.60
Employee Benefits Payable	40.26	40.42
Expenses Payable	40.70	28.27
Total	174.77	235.45

NOTE 23 : CURRENT TAX LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Taxation	18.99	217.19
Less: Advance Tax	(10.00)	(165.44)
Total	8.99	51.75

**NOTE 24 : REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Sale of Products		
Finished Goods		
Within India	20,248.71	33,155.38
Outside India	4,700.41	1,433.65
Traded Goods	3,917.37	5,346.23
Total Gross Sales(including excise duty)	28,866.51	39,935.26
Other Operating Revenue		
Scrap Sale (Including Excise Duty)	281.25	495.89
Job Work Income	0.60	10.18
Export Incentives	27.77	14.54
Total	309.63	520.61
Total Revenue from Operations	29,176.13	40,455.87

Note 25 : Other Income

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with bank	250.84	123.21
Liabilities no longer required written back	0.60	4.39
Foreign Exchange Gain(net)	38.30	19.46
Rental Income	180.50	175.69
Miscellaneous Income	2.10	4.17
Total	472.34	326.92

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
Opening Stock	3,009.59	2,398.12
Add: Purchase	25,543.45	38,505.65
Less: Closing Stock	(1,334.55)	(3,009.59)
Less: Cost of Raw Material cleared as such	(3,861.38)	(5,156.42)
Total	23,357.11	32,737.76

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Stock		
Finished Goods	626.88	828.25
WIP	548.69	-
Scrap Material	12.40	17.78
Traded Goods	-	-
Total (A)	1,187.97	846.03
Closing Stock		
Finished Goods	767.88	626.88
WIP	572.53	548.69
Scrap Material	37.22	12.40
Traded Goods	-	-
Total (B)	1,377.62	1,187.97
Total (A-B)	(189.64)	(341.94)

NOTE 28 : EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages, Bonus etc.	495.70	465.46
Contribution to Provident and Other Funds	15.09	17.23
Staff Welfare Expenses	4.52	4.84
Gratuity	13.09	11.60
Compensated Absences	2.16	1.78
Total	530.55	500.91

NOTE 29 : FINANCE COST

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	807.06	764.78
Other Expenses	-	-
Total	807.06	764.78

NOTE 30 : DEPRECIATION AND AMORTISATION

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	192.20	200.19
Depreciation on investment property	14.53	14.21
Amortisation of intangible assets	1.12	3.93
Right of Use Assets Amortisation	13.94	-
Total	221.78	218.33

NOTE 31 : OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Job Work Charges	7.89	9.96
Power & Fuel Expenses	245.09	268.36
Repair & Maintenance :-		
Building	23.47	25.26
Plant & Machinery	21.11	30.63
Rent (Including Lease Rent)	24.04	10.59
Printing & Stationery	5.81	8.72
Postage & Telephone	18.25	6.52
Vehicle Running Expenses	8.85	10.37
Fees & Taxes	20.42	35.68
Travelling Expenses:		
Directors	5.20	16.14
Others	25.45	10.35
Legal & Professional Charges	27.44	17.53
Loss on sale of PPE / Investments	-	3.19
Donation	0.11	0.37
Corporate social responsibility expenses (Refer Note 40)	25.50	23.86
Miscellaneous Expenses	15.61	5.36
Auditor's Remuneration	2.00	4.00
Insurance	6.31	5.79
Key-man Insurance	15.69	0.02
Office Expenses	4.30	2.85



(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement Expenses	-	0.75
Commission	43.12	16.61
Freight Outward	164.17	70.89
Business Promotion	27.49	25.88
Bad Debt	-	3.80
Other Selling Expenses	76.32	35.70
Stores and Spares	210.48	332.36
Total	1,024.12	981.54

NOTE 32 : TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		
Current Tax on profits for the year	18.99	217.19
Adjustment for current tax of prior periods	0.48	28.02
Total current tax expense	19.47	245.21
Deferred Tax		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	111.76	2.34
Total deferred tax expense/(benefit)	111.76	2.34
Total Tax Expense	131.24	247.55

33. 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, 2020 and March 31, 2019.

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, 2020 and March 31, 2019 :-

Particulars	Currency	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
Financial Assets:-			
Trade Receivables	USD	2,661.64	36.87
Unsecured Loan / Advance Receivables	USD	128.43	147.40
Financial Liabilities:-			
Trade Payables	USD	2,188.65	-
Net (Assets) / Liabilities		601.43	184.27

***Trade Receivables and Trade Payables are related to Merchant Trade which is naturally hedged, inward and outward controlled by EEFC Account.**

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, 2020	Sell	-	-	-
	Buy	23.00	24.78	1,869.34
As at 31st March, 2019	Sell	-	-	-
	Buy	16.00	21.17	1,496.53

Summary of exchange difference accounted in Statement of Profit & Loss

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Net foreign exchange (gain)/ losses shown under Other Income	38.30	19.46
Total	38.30	19.46

(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	6,921.05	6,817.55	92.15	9.60%
Total as at 31 March, 2020	6,921.05	6,817.55	92.15	9.60%
INR	7,016.61	6,848.89	101.54	9.80%
Total as at 31 March, 2019	7,016.61	6,848.89	101.54	9.80%

**(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 March 31, 2020	Less than 1 year	Above 1 year	Total
Non Current borrowings	-	1,130.28	1,130.28
Current borrowings	5,613.09	-	5,613.09
Trade payables	3,035.26	-	3,035.26
Other financial liabilities	177.68	94.00	271.68
Total	8,826.03	1,224.28	10,050.31

(₹ in Lakhs)			
As at March 31, 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
Total	7,884.56	1,083.20	8,967.76

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 March 31, 2020	As at March 31, 2019
Interest-bearing loans and borrowings	6,909.71	6,950.43
Equity	8,376.05	8,165.99
Capital and net debt	15,285.75	15,116.42
Gearing ratio in %	45.20%	45.98%

34. 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)			
	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at amortised cost				
Trade Receivables	5,505.21	5,505.21	4,882.58	4,882.58
Cash & cash Equivalents	652.09	652.09	636.87	636.87
Bank balances other than above	-	-	-	-
Other Financial assets	2,285.33	2,285.33	1,096.05	1,096.05
Total	8,442.63	8,442.63	6,615.50	6,615.50
Financial liabilities designated at amortised cost				
Non Current Borrowings	1,130.28	1,130.28	1,007.62	1,007.62
Current Borrowings	5,613.09	5,613.09	5,849.48	5,849.48
Trade payables	3,035.26	3,035.26	1,875.57	1,875.57
Other financial liabilities	271.68	271.68	235.09	235.09
Total	10,050.31	10,050.31	8,967.76	8,967.76

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)

Particulars	(₹ in Lakhs)		
	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial Assets Security deposits ¹	-	82.11	-

Particulars	(₹ in Lakhs)		
	As at March 31, 2019		
	Level 1	Level 2	Level 3
Financial Assets Security deposits ¹	-	74.06	-

Particulars	(₹ in Lakhs)		
	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowings-fixed rate other financial liabilities	-	92.15	-
	-	271.68	-

Particulars	(₹ in Lakhs)		
	As at March 31, 2019		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowings-fixed rate other financial liabilities	-	101.54	-
	-	235.09	-

During the year ended 31st March 2020 and 31st March 2019, 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, 2020 and March 31, 2019 respectively:-

(a) Assets/ Liabilities measured at Fair value

Particulars	Fair Value hierarchy	Valution technique	Inputs used
Security deposits	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts.

Particulars	Fair Value hierarchy	Valution 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.

35. 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.

36. INCOME TAX EXPENSES

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Current Tax	18.99	217.19
2	Deferred Tax	111.76	2.34
3	Previous year taxation adjustments	0.48	28.02
4	MAT credit entitlement	-	-
	Total	131.24	247.55

Effective Tax Reconciliation

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Net Loss/ Income before Taxes	342.13	1,010.09
	Enacted tax rates Computed Tax	25.168%	27.820%
	Income (Expense)	86.11	281.01
	Increase /(Reduction) in taxes on account of :-		
1	Amount Not taxable/ exempt	(67.12)	(63.81)
2	Previous year taxation adjustments	0.48	28.02
3	Deferred tax	111.76	2.34
	Total	131.24	247.55
	Effective Tax Rate	38%	25%

37. 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, 2020	Year ended March 31, 2019	
Book base and tax base of Fixed Assets	110.71	4.86	
(Disallowance) / Allowance (net) Under Income Tax	0.78	(2.65)	
Ind-As adjustments	0.27	0.14	
Total	111.76	2.34	

Component of tax accounted in OCI

		(₹ in Lakhs)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019	
Deferred Tax Gain/ (Loss) on defined benefit	0.27	0.13	
Total	0.27	0.13	

**38. RETIREMENT BENEFIT OBLIGATION****I. Expenses recognised for Defined Contribution plan**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Company's Contribution to provident fund	10.57	10.92
Company's Contribution to ESI	4.52	6.31
Company's Contribution to superannuation fund	-	-
Total	15.09	17.23

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in Balance sheet as of March 31, 2020 and March 31, 2019, 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, 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
Present value of obligation-March 31, 2019'	65.01	7.38
Present value of obligation-April 1, 2019	65.01	7.38
Current Service Cost	6.99	1.12
Interest Cost	4.98	0.57
Benefits paid	(5.09)	(1.39)
Remeasurements-actuarial loss/ (gain)	1.11	0.47
Present value of obligation-March 31, 2020'	73.01	8.15

III. Movement in Plan Assets-Gratuity

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
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)	-	-
Fair Value of plan assets at end of year	-	-
Present value of obligation Net Funded status of plan	-	-
Actual return on plan assets	-	-

IV. Recognised in Profit & Loss

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated absence
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	-	-

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated absence
For the year ended March 31, 2019	11.60	1.78
Current Service Cost	6.99	1.12
Interest Cost	4.98	0.57
Expected return on plan assets	-	-
Remeasurements-actuarial loss/ (gain)	1.11	0.47
Past Service cost	-	-
For the year ended March 31, 2020	13.09	2.16
Actual return on plan assets	-	-

V. Recognised in other comprehensive income

Particulars	(₹ in Lakhs)	
	Employee Benefit Expenses	
Remeasurement-Actuarial (loss)/gain	0.47	
For the year ended March 31, 2019	0.47	
Remeasurement-Actuarial (loss)/ gain	1.11	
For the year ended March 31, 2020	1.11	

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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Attrition rate	3%	3%
Discount rate	6.76	7.66
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 (2012-14)	100% of IALM (2006-08)
Expected Average remaining working lives of employees (years)	19.12	21.28

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, 2020

Particulars	(₹ in Lakhs)		
	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	-2.89	-0.35
	-0.50%	3.15	0.38
Salary Growth rate	0.50%	3.16	0.38
	-0.50%	-2.93	-0.35
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, 2019**

Particulars	Change in Assumption	Effect on Gratuity obligation	(₹ in Lakhs)
			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	-	-	-

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
For the year ended March 31, 2020		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-
For the year ended March 31, 2019		
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 2020 to 31 Mar 2021	26.58
01 Apr 2021 to 31 Mar 2022	2.51
01 Apr 2022 to 31 Mar 2023	1.37
01 Apr 2023 to 31 Mar 2024	0.85
01 Apr 2024 to 31 Mar 2025	0.83
01 Apr 2025 to 31 Mar 2026	1.57
01 Apr 2026 Onwards	39.30

IX. Statement of Employee benefit provision

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity	73.01	65.01
Compensated absences	8.15	7.38
Other employee benefits	-	-
Total	81.16	72.39

X. Current and non-current provision for Gratuity and Leave Encashment

For the year ended March 31, 2020

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
Current Provision	26.58	2.96
Non Current Provision	46.43	5.19
Total Provision	73.01	8.15

For the year ended March 31, 2019

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
Current Provision	26.64	2.97
Non Current Provision	38.37	4.41
Total Provision	65.01	7.38

XI. Employee benefits expenses

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salary and Wages	495.70	465.46
Costs-defined contribution plan	30.33	30.61
Welfare expenses	4.52	4.84
Total	530.54	500.91

Particulars	(Figures in no.)	
	Year ended March 31, 2020	Year ended March 31, 2019
Average no of people employed	97	130

OCI presentation of defined benefit plan

- a) 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.
- b) 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.

**39. OTHER DISCLOSURES**

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

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
I	Statutory Auditors Fees		
	a) Audit Fees	2.00	2.00
	b) Certification /Others	-	0.09
	c) Out of Pocket Expenses	0.21	0.16
	Total	2.21	2.25
II	Tax Auditors Fees		
	a) Audit Fees	2.00	2.00
	Total	2.00	2.00
III	GST Auditors Fees		
	a) Audit Fees	0.50	0.50
	Total	0.50	0.50
IV	Cost Auditors Fees		
	a) Audit Fees	0.35	0.45
	Total	0.35	0.45
V	Secretarial Auditors Fees		
	a) Audit Fees	0.40	0.40
	Total	0.40	0.40

- 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.

40. 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, 2020	For the year ended March 31, 2019
A	Gross amount required to be spent by the Company during the year	25.50	23.86
B	Amount spent during the year	25.00	23.86
(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	25.00	21.86

41. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1)	Disputed liability of Entry tax	69.90	69.90
3)	Guarantees issued by Company's Bankers on behalf of the Company	2,089.42	2,083.91
4)	Letter of Credit Outstanding	2,364.48	1,940.95

42. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ NIL (Previous Year ₹ NIL).
43. Exceptional item consists of Loss (Net) of ₹ NIL (Previous year Loss (Net) of ₹ NIL on the provision of employees benefits pertaining to previous years.
44. 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, 2020	Year ended March 31, 2019
1	Principal Amount due outstanding	-	2.70
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	-	-

45. PURSUANT TO IND AS-116-'LEASES', THE FOLLOWING INFORMATION IS DISCLOSED

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹141.56 Lakhs and a lease liability of ₹43.56 Lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	(₹ in Lakhs)		
	Category of ROU Asset "Land"	Category of ROU Asset "Commercial Vehicles"	Total
Balance as at April 1, 2019	-	-	-
Reclassified on adoption of Ind AS 116	66.84	70.45	137.29
Additions	-	18.21	18.21
Deletions	-	-	-
Depreciation	1.60	12.34	13.94
Balance as at March 31, 2020	65.24	76.32	141.56

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement



of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Included in the Financial Statements as

Particulars	(₹ in Lakhs)
	As at March 31,2020
Current lease liability	18.12
Non-current lease liability	25.44
Total	43.56

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ in Lakhs)
	For the Year Ended March 31,2020
Balance at the beginning	46.55
Finance Cost accrued during the period	3.91
Deletions	-
Additions	13.00
Payment of lease liabilities	19.90
Balance at the End	43.56

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	(₹ in Lakhs)
	As at March 31,2020
Less than one year	34.66
One to Five Years	69.31
More than Five Years	-
Total	103.97

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 24.04 Lakhs for the year ended March 31,2020.

46. 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. Rajeev Kumar Agarwal	Chief Financial Officer
5	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 (Till Nov 17,2019)	Independent Director
3	Mr. Charat Sharma (W.e.f. Nov 17,2019)	Independent Director
4	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 RST Industries Limited	Trading of Steel Products
6	M/s Lepakshi Tubes Pvt. Ltd.	Manufacturer of Steel Pipes
7	M/s Virinder Engineering and Chemical Pvt. Ltd.	Warehouse Renting
8	M/s Naresh Kumar & Sons HUF	HUF

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	Mr.Nikhil Bansal	Son of Mr. Naresh Kumar Bansal

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

S.No.	Name of transaction/ relationship	₹ in Lakhs	
		Year ended March 31, 2020	Year ended March 31, 2019
I	Payment of Rent		
	Mr. Naresh Kumar Bansal	-	3.00
	Mrs. Kumud Bansal	12.00	6.00
	Mr. Richi Bansal	1.30	-
	Mr. Nikhil Naresh Bansal	1.30	-
II	Payment of Interest		
	M/s Advance Hightech Agro Products Pvt. Ltd.	2.89	3.15
III	Receipt of Interest		
	M/s Lepakshi Tubes Pvt. Ltd	112.87	63.54
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	58.55	-
IV	Purchase of finished goods		
	M/s Lepakshi Tubes Pvt. Ltd	-	115.56
V	Sales of finished goods/ Traded goods		
	M/s RST International Trading FZE, Dubai	4.59	28.92
	M/S RST Industries Limited	3,488.96	-
	Pir Panchal Constuction Pvt. Ltd Joint Venture	116.06	-
	M/s Virinder Engineering and Chemicals Pvt. Ltd.	2.81	6.79
VI	Advance given against supply of material		
	M/s RST International Trading FZE, Dubai	286.88	-
VII	Advance received back given against supply of material		
	M/s RST International Trading FZE, Dubai	207.96	-
VIII	Unsecured Loans given		
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	395.00	175.00
	M/s Ravi Developers Pvt. Ltd.	-	0.50
	M/s Lepakshi Tubes Pvt. Ltd	2,196.00	2,140.52
	M/s RST International Trading FZE, Dubai	-	147.40
IX	Unsecured Loans received back		
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	85.00	50.00



		(₹ in Lakhs)	
S.No.	Name of transaction/ relationship	Year ended March 31, 2020	Year ended March 31, 2019
	M/s Lepakshi Tubes Pvt. Ltd	1,515.00	2,081.37
	M/s RST International Trading FZE, Dubai	97.89	38.70
X	Unsecured Loans taken		
	Mr. Naresh Kumar Bansal	39.74	410.00
	Mr. Richi Bansal	7.44	50.00
	Mr. Nikhil Naresh Bansal	2.95	2.85
XI	Unsecured Loans repaid		
	Mr. Naresh Kumar Bansal	91.08	358.67
	M/s Advance Hightech Agro Products Pvt. Ltd.	9.00	-
	Mr. Richi Bansal	7.44	92.83
	Mr. Nikhil Naresh Bansal	2.95	2.85
XII	Payment of Compensation*		
	Mr. Nikhil Bansal	9.60	6.80
	Mrs.Krati Bansal	-	0.52
	Mrs.Kanika Bansal	-	0.52
XIII	Director sitting Fees		
	Mr. Bharat Bhushan Sahny	0.30	0.30
	Ms. Anju Gupta	0.35	0.30
	Mr. Charat Sharma	0.10	0.10

Compensation of Key Management Personnel of the Company

		(₹ in Lakhs)	
S.No.	Name of transaction/ relationship	Year ended March 31, 2020	Year ended March 31, 2019
	Payment of Compensation*		
I	Mr. Naresh Kumar Bansal	48.00	40.00
II	Mr. Richi Bansal	42.00	34.00
III	Mr. Surender Kumar Sharma	3.20	3.20
IV	Mr. Rajeev Kumar Agarwal	19.00	17.06
V	Mr. Kapil Datta	5.16	4.64

- * 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.

5. Balance at the end of the year

		(₹ in Lakhs)	
Name of transaction/ relationship	Year ended March 31, 2020	Year ended March 31, 2019	
Receivable amount of unsecured loan/ Advance			
M/s Pir Panchal Construction Pvt. Ltd., JV	558.55	190.00	
M/s Lepakshi Tubes Pvt. Ltd.	1,327.93	545.35	
M/s RST International Trading FZE, Dubai	128.43	103.71	
M/s Ravi Developers Pvt. Ltd.	0.50	0.50	
Payable amount of Loans & Interest			
M/s Advance Hightech Agro Products Pvt. Ltd.	48.59	55.00	
Mr. Naresh Kumar Bansal	-	51.33	

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.

47. EARNING PER SHARE (EPS)

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a.	Net Profit / Loss after tax as per Profit and Loss for basic EPS	210.06	762.20
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	210.06	762.20
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	16,794,000
f.	Weighted Average No. of Potential Equity Shares	-	-
g.	Weighted Average No. of Equity Shares for diluted EPS	16,794,000	16,794,000
h.	Basic EPS per Share (in ₹)	1.25	4.54
i.	Diluted EPS per Share (in ₹)	1.25	4.54
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.

48. 'Ind-AS 115 : Revenue from Contracts with customers', mandatory for reporting periods beginning on or after April 1, 2018 replaces the existing revenue recognition standards. The application of Ind-AS 115 did not have any significant impact on audited Standalone Financial Results of the Company.

49. The Company elected to exercise the option of lower tax rate of 25.168% (including surcharge & Cess) permitted under Section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for the quarter and year ended March 31, 2020 and remeasured its deferred tax assets/liabilities bases the rate prescribed in the said section. The impact of this change has been recognised over the period from April 01, 2019 to March 31, 2020.

50. The spread of Covid-19 has affected the business operations post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down. The Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, The Company has now resumed its operations, however, some of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the company and take necessary measures to address the situation.

In the case of inventory, Management has performed inventory verification at each of its locations after lifting of the lockdown in the presence of independent chartered Accountant firm and has obtained its report over the existence and condition of Inventories as at March 31, 2020.

51. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

52. Notes 1 to 50 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 : Delhi
Date : June 29, 2020

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**

Opinion

We have audited the consolidated financial statements of **RAMA STEEL TUBES LIMITED** ("hereinafter referred to as "the Holding Company"), its subsidiaries and associates (the Holding Company, its subsidiaries and associates together referred to as "the Group") which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of 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 state of affairs of the Group as at March 31, 2020, and profits, 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 consolidated Financial Statements section of our report. We are independent of

the Group 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 consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 on the consolidated financial statements.

Emphasis of Matter

We draw your attention to Note 50 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID -19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>1. Adoption of Ind AS 116 'Leases'</p> <p>The company has adopted Ind AS 116 Leases (IND AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the company has many leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease terms as per contract/arrangement. Adoption of the standard involves significant judgements including determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer Note 45 to the consolidated financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 included:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116) • Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. • Involved our specialists to evaluate the reasonableness of the discount rates • Upon transition as at 1 April 2019: <ul style="list-style-type: none"> □ Evaluated the method of transition and related adjustments □ Tested completeness of the lease data by reconciling the company's lease commitments to data used in computing ROU Asset and the lease liabilities. • Assessed the key terms and conditions of each lease and the key estimates such as discount rates and the lease term.



Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term. Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

Key Audit Matter	Auditor's Response
<p>1. Provisions and contingent liabilities in relation to tax positions</p> <p>Company has received outstanding demands and show cause notices from various tax authorities.</p> <p>The Management have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> <p>Refer Note 41 to the consolidated financial statements.</p>	<p>We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the company if any, where relevant to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For Legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> Testing key controls surrounding litigation, regulatory and tax procedures. Performing substantive procedures on the underlying calculations supporting the provisions recorded. Where relevant, reading external legal opinions obtained by the management Discussing open matters with the litigation, regulator, general counsel and tax teams Assessing management's conclusions through understanding precedents set in similar cases. <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31,2020 to be appropriate.</p>

Information other than the Financial Statements and Auditor's Report thereon

The Holding 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the

accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statement 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, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 Holding 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 Group 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 consolidated 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 group 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 be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditor.
- 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 consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 Group 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 Holding 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 Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
- ii. The Group is not required to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
- iii. The Group is not required to transfer any amount to the Investor Education and Protection Fund.

For Alok Mittal & Associates

Chartered Accountants

ICAI Firm Registration Number: 005717N

Alok Kumar Mittal

Partner

Membership Number: 071205

Place: Delhi

Date: June 29, 2020

UDIN: 20071205AAAAHX2310

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (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** (“hereinafter referred to as “the Holding Company, its subsidiaries and associates (the Holding Company ,its subsidiaries and associates together referred to as “the Group”)) as of March 31, 2020 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 respective board of directors of the Holding company, its subsidiaries and associates are 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 and the audit evidence obtained by the auditor of the subsidiaries (which are incorporated in India) and associates, , in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting of the Holding company and its subsidiaries (which are incorporated in India) and associates.

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 unauthorized 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 be come in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company ,its subsidiaries (which are incorporated in India) and associates, have , 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, 2020, based on the internal control over financial reporting criteria established by the respective companies 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: June 29, 2020

UDIN: 20071205AAAAHX2310

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	3,551.51	3,751.32
Capital Work in Progress	3	678.97	92.62
Investment Properties	4	363.51	378.03
Intangible Assets	5	0.67	1.80
Right of Use Assets	6	162.00	-
Investment in Subsidiaries, Associates & Joint Ventures	7	758.75	452.73
Financial assets			
(i) Investments	8	0.61	0.61
(ii) Other financial assets	9	823.07	440.65
Deferred tax assets(net)	19	-	61.89
Other non current assets	10	111.03	75.63
Total non current assets		6,450.11	5,255.28
Current Assets			
Inventories	11	5,393.90	5,135.18
Financial Assets			
(i) Trade Receivables	12(a)	7,214.99	6,445.95
(ii) Cash and Bank Balances	12(b)	1,311.65	676.11
(iii) Bank balances other than (ii) above		-	-
(iv) Other Financial Assets	12(c)	24.23	20.38
Other current assets	13	3,431.67	2,514.11
Total current assets		17,376.45	14,791.73
Total Assets		23,826.56	20,047.01
Equity and Liabilities			
Equity			
Equity Share Capital	14	839.70	839.70
Other Equity	15	8,016.75	7,861.24
Total equity		8,856.45	8,700.94
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	16	1,815.37	2,067.68
Other financial liabilities	17	94.00	75.58
Provisions	18	53.92	43.73
Deferred Tax Liabilities (Net)	19	87.00	-
Total non-current liabilities		2,050.29	2,186.99
Current Liabilities			
Financial Liabilities			
Borrowings	20(a)	6,159.31	6,605.19
Trade Payables	20(b)	5,926.28	1,881.93
Other Financial Liabilities	20(c)	342.02	324.90
Provisions	21	29.95	29.75
Other Current Liabilities	22	453.27	265.56
Current Tax Liability(net)	23	8.99	51.75
Total current liabilities		12,919.82	9,159.08
Total equity and liabilities		23,826.56	20,047.01

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 : Delhi

Date : June 29, 2020

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, 2020

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	24	35,280.90	50,414.61
Other income	25	365.06	264.05
Total Income		35,645.96	50,678.66
Expenses:			
Cost of Materials consumed	26	26,002.06	37,395.01
Purchase of stock-in-trade (traded goods)	27	7,128.74	9,900.72
Changes in inventories of finished goods, work-in-progress and stock-in-Trade	27	(730.93)	(278.62)
Employee Benefit Expense	28	696.61	590.62
Financial Costs	29	963.14	937.19
Depreciation and Amortization	30	290.09	276.44
Other Expenses	31	1,317.32	1,163.06
Total expenses		35,667.04	49,984.42
Profit before share of net profits of investments in Associates and Joint Ventures		(21.08)	694.24
Share of net profits of associates and joint ventures accounted for using the equity method		306.02	245.10
Profit before tax		284.94	939.34
Tax expense:	32		
(a) Current tax		18.99	217.19
(b) Deferred tax Charge		149.20	(143.05)
(c) Income Tax of earlier year		0.48	28.02
Total Tax Expense		168.67	102.16
Profit/(Loss) for the period		116.27	837.18
Other Comprehensive Income(OCI)			
Items that will not be reclassified to Profit & Loss subsequently			
-Remeasurement of the Defined Benefit Plans to Employees		(1.32)	(0.38)
-Income Tax relating to Items that will not be reclassified to Profit & Loss		0.32	0.11
Items that will be reclassified to Profit & Loss subsequently			
-Exchange Difference on translation of Foreign Currency		40.24	18.44
-Income Tax relating to Items that will not be reclassified to Profit & Loss		-	-
Total Other comprehensive Income for the Year		39.24	18.17
Total Comprehensive Income for the year		155.50	855.35
Earnings per share			
Basic Earnings per share		0.93	5.09
Diluted earnings per share		0.93	5.09

As per our attached report of even date

For Alok Mittal & AssociatesChartered Accountants
Firm Reg. No. 005717N

Sd/-

Alok Kumar Mittal

Partner

Membership No. 071205

For and On Behalf of the Board

Sd/-

Naresh Kumar Bansal

(Managing Director)

DIN: 00119213

Sd/-

Richi Bansal

(Director)

DIN: 00119206

Sd/-

Rajeev Kumar Agarwal

(Chief Financial Officer)

Sd/-

Kapil Datta

(Company Secretary)

Place : Delhi

Date : June 29, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

		(₹ in Lakhs)	
S No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	Cash Flow from operating activities		
	Net Profit before Tax	284.94	939.34
	Adjustments For		
	Depreciation and amortisation expense	290.09	276.44
	Finance Cost	963.14	937.19
	Remeasurement of the Defined Benefit Plans to Employees routed through OCI	(1.32)	(0.38)
	Foreign Exchange Fluctuation directly debited to Exchange Reserve	40.24	18.44
	Share of Profit in Joint Venture	(306.02)	(245.10)
	Interest Income on FD with banks	(139.58)	(61.06)
	Prior Period Adjustment	-	(28.46)
	Loss/(Gain) on sale of property, plant and equipment	-	3.19
	Operating Profit before working capital changes	1,131.49	1,839.60
	Adjustment for Working Capital Changes		
	Decrease/(Increase) in Inventories	(258.72)	(1,705.29)
	Decrease/(Increase) in Trade receivables	(769.04)	(2,631.62)
	Decrease/(Increase) in other financial and non-financial assets	(1,339.24)	(363.42)
	(Decrease)Increase in Trade Payables	4,044.35	1,452.61
	(Decrease)Increase in other financial, non financial liabilities and provisions	233.65	178.09
	Cash generated from Operations	3,042.49	(1,230.02)
	Net Direct Taxes paid	(62.23)	(507.09)
	Net Cash flow from operating activities	2,980.27	(1,737.11)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale / (Purchase) of Property, Plant and equipment (Including Capital Work in Progress)	(660.99)	(317.87)
	Addition / Deletion to right of Use Assets	(162.00)	
	Addition to Investment Properties	-	(21.56)
	Addition to Intangible Assets	-	-
	Increase in Investment in Subsidiaries, Associates & Joint Ventures	(306.02)	(245.09)
	Proceeds from sale of Property, Plant and Equipments	-	8.26
	Proceeds from sale of Investment Properties	-	-
	Share of Profit in Joint Venture	306.02	245.10
	Interest received	139.58	61.06
	Net cash flow from investing Activities	(683.40)	(270.11)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Equity Shares including Share Premium & Share Warrants	-	-
	Redemption of Preference Shares	-	-
	Proceeds from Borrowings (Secured)	(698.19)	2,648.49
	Interest paid	(963.14)	(937.19)
	Net Cash from financing Activities	(1,661.32)	1,711.30
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	635.54	(295.91)
	Opening balance of Cash & Cash equivalents (April 1, 2018/April 1, 2017)	676.11	972.02
	Closing balance of Cash & cash equivalent	1,311.65	676.11
	Cash and cash Equivalents comprises		



(₹ in Lakhs)

S No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Cash in Hand	14.63	9.55
	<u>Balance with Scheduled Banks</u>		
	-In current Accounts	711.07	54.27
	-In Fixed Deposit Accounts with original maturity of less than 3 months	585.95	612.29
	Total Cash and Cash Equivalents	1,311.65	676.11
	Total		

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 Standards) Rules,2015, as amended.
- Figures in Bracket indicate cash outflow

As per our attached report of even date

For Alok Mittal & AssociatesChartered Accountants
Firm Reg. No. 005717N

Sd/-

Alok Kumar MittalPartner
Membership No. 071205

Place : Delhi

Date : June 29, 2020

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 YEAR ENDED MARCH 31, 2020

a. Equity share capital

Particulars	(₹ in Lakhs)
	Amount
As at March 31, 2018	839.70
Equity shares issued during the Year	-
As at March 31, 2019	839.70
Equity shares issued during the period ended on March, 31, 2020	-
As at March 31, 2020	839.70

b. Other equity

Particulars	Reserves and Surplus					Money recd. against Share Warrants	Total
	General Reserve#	Retained Earnings	Securities Premium Reserve^	Capital Reserve	Foreign Currency Trans Reserve		
Balance as at March 31, 2018	1,277.28	3,357.94	2,176.20	-	(2.77)	225.70	7,034.35
Profit for the year	-	837.18	-	-	-	-	837.18
Other comprehensive income for the year							
-Remeasurement of the Defined Benefit Plans to Employees	-	(0.27)	-	-	-	-	(0.27)
-Adjustment of Prior Period Expenses	-	(28.46)	-	-	-	-	(28.46)
-Exchange Difference on Foreign Currency Translation	-	-	-	-	18.44	-	18.44
-Transfer from Retained Earnings to General Reserves	-	-	-	-	-	-	-
-Foreiture of Money Recd. against Share Warrants	-	225.70	-	-	-	(225.70)	-
Balance as at March 31, 2019	1,277.28	4,392.09	2,176.20	-	15.67	-	7,861.24
Profit for the year	-	116.27	-	-	-	-	116.27
Other comprehensive income for the year							
-Remeasurement of the Defined Benefit Plans to Employees	-	(1.00)	-	-	-	-	(1.00)
-Transfer from Retained Earnings to capital reserve on account of foreclosure of Money Recd. Against share Warrants	-	(225.70)	-	225.70	-	-	-
-Exchange Difference on Foreign Currency Translation	-	-	-	-	40.24	-	40.24
-Transfer from Retained Earnings to General Reserves	-	-	-	-	-	-	-
Balance as at March 31, 2020	1,277.28	4,281.66	2,176.20	225.70	55.90	-	8,016.75

#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.

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

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)

Place : Delhi

Date : June 29, 2020

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****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 B-5, 3rd Floor, Main Road, Ghazipur, New Delhi-110096. 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 allied products. The Company's manufacturing facilities are located at Sahibabad, District Ghaziabad in Uttar Pradesh, Khopoli, District Raigarh in Maharashtra and District Hindupur in Andhra Pradesh through wholly owned Subsidiary-Lepakshi Tubes Pvt.Ltd. Company have 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 and also one step down subsidiary in the name of RST Industries Limited in Lagos, Nigeria which is engaged in trading business of Steel related Products.

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 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:-

- The Contractual arrangement with the other vote holders of the investee;
- The rights arising from other contractual arrangements;
- 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:

- 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;
- 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
- 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 Leases

As a lessee The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-

term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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 ora 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.

3.19 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.

3.20 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.

3.21 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.

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	Capital Work-in Progress	Total
Year ended 31 March, 2020										
Gross Carrying Amount										
Gross Carrying Cost as of April 1, 2019	472.67	801.15	16.91	2,889.37	21.98	34.98	9.11	75.63	92.62	4,414.42
Additions during the year	5.80	19.09	42.29	28.85	14.82	0.75	3.46	13.72	586.35	715.12
Diposals during the year	-	-	-	-	-	-	-	-	-	-
Closing Gross carrying amount	478.47	820.24	59.20	2,918.22	36.80	35.72	12.57	89.35	678.97	5,129.54
Accumulated Depreciation										
As at April 1, 2019	-	70.61	4.67	521.30	10.96	12.57	6.19	15.82	-	642.11
Depreciation charged during the year	-	26.43	8.15	196.51	4.18	3.33	1.42	16.93	-	256.95
Disposals during the year	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	97.03	12.83	717.82	15.13	15.90	7.62	32.75	-	899.07
Net carrying value as on March 31, 2020	478.47	723.21	46.37	2,200.40	21.67	19.82	4.96	56.60	678.97	4,230.47

NOTE 4 : INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Car	Elect. Fitting & Installation	Total
Year ended 31 March, 2020								
Gross Carrying Amount								
Gross Carrying Cost as of April 1, 2019	95.06	295.59	16.79	6.05	6.96	-	15.05	435.50
Additions during the year	-	-	-	-	-	-	-	-
Diposals during the year	-	-	-	-	-	-	-	-
Closing Gross carrying amount	95.06	295.59	16.79	6.05	6.96	-	15.05	435.50
Accumulated Depreciation								
As at April 1, 2019	-	39.29	3.29	2.72	5.12	-	7.05	57.46
Depreciation charged during the year	-	10.11	1.27	0.91	-	-	2.24	14.53
Disposals during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	49.40	4.55	3.63	5.12	-	9.30	71.99
Net carrying value as on March 31, 2020	95.06	246.19	12.24	2.42	1.84	-	5.75	363.51

**NOTE 5 : INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	Computer Software	Total
Year ended March 31, 2020		
Gross Carrying Amount		
Deemed Cost as of April 1, 2019	13.84	13.84
Additions during the year	-	-
Disposals during the year	-	-
Closing Gross carrying amount	13.84	13.84
Accumulated Depreciation		
Opening	12.04	12.04
Depreciation charge during the year	1.12	1.12
Disposals during the year	-	-
Closing accumulated depreciation	13.16	13.16
Net carrying value as on March 31, 2020	0.67	0.67

NOTE 6 : RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Land	Commercial Vehicles	Total
Balance as at March 31, 2019	-	-	-
Reclassified on adoption of IND-AS 116	66.84	70.45	137.29
Additions	-	41.00	41.00
Deductions	-	-	-
Depreciation/Amortisation	1.60	14.69	16.29
Net carrying value as on March 31, 2020	65.24	96.75	162.00

NOTE 7 : INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Joint Venture		
M/s Pir Panchal Construction Pvt. Ltd. Joint Venture	758.75	452.73
	758.75	452.73

Details of Joint Ventures

Name of the Joint Venture	Ownership Interest % as of	
	As at March 31, 2020	As at March 31, 2019
M/s Pir Panchal Construction Pvt. Ltd.-JV	25.00	25.00
The amounts recognised in the balance sheet are as follows:		
Joint Ventures	758.75	452.73

NOTE 8 : INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments		
-Others		
Quoted		
60,500 (as at 31st March 2019: 60,500) Face value of Equity shares of ₹10/- each fully paid up of Uttam Value Steels Limited	0.60	0.60
25 (as at 31st March 2019: NIL) Equity shares of ₹25/- each fully paid up of SVC-Cooperative Bank Limited	0.01	-
Unquoted		
2 (as at 31st March 2019: 2) Equity shares of ₹ 10 each fully paid up of CIDCO Mumbai	0.00	0.00
Total	0.61	0.61

NOTE 9 : OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security Deposits	100.36	88.01
Loans to Others	593.80	234.20
Bank Deposits with maturity period more than 12 months*	128.90	118.44
Total	823.07	440.65

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

Note 10 : Other Non-Current Assets

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Capital Advances	66.28	10.38
Operating Lease Prepayments	-	65.25
Unamortized Expenses	44.75	-
Total	111.03	75.63

Note 11 : Inventories

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Raw Materials	1,469.63	3,877.97
(Including material in-transit ₹ NIL/- (As at 31st March, 2019 : ₹ 813.50 Lakhs)		
Finished Goods	3,191.94	658.37
Work-in-progress	656.06	551.00
Scrap Material	37.22	12.40
Stock-in-Trade	-	-
Stores, spares and consumable	39.06	35.44
Total	5,393.90	5,135.18

**NOTE 12(A) : TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Considered Good	7,214.99	6,445.95
Total	7,214.99	6,445.95

NOTE 12(B) : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
-Current Accounts	711.07	54.27
-In Fixed deposit accounts with original maturity of less than 3 months*	585.95	612.29
Cash in Hand	14.63	9.55
Total	1,311.65	676.11

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

NOTE 12(C) : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on loans, investments and deposits	24.23	20.38
Total	24.23	20.38

Note 13 : Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other capital advances		
Advance to suppliers and others	2,021.10	1,088.14
Balance with Government Authorities	867.35	1,026.39
Prepaid Expenses	23.41	70.90
Operating Lease Prepayments	-	1.59
Other Receivables	519.81	327.09
Total	3,431.67	2,514.11

NOTE 14 - SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Share Capital		
Authorized:		
1,80,00,000 (as at 31st March 2019: 1,80,00,000) Equity Shares of ₹5/- each	900.00	900.00
25,00,000 (as at 31st March 2019: 25,00,000) 5% Non Cumulative Redeemable Preference shares of ₹ 10/- each	250.00	250.00
	1,150.00	1,150.00
Issued, Subscribed & Paid up:		
1,67,94,000 (as at 31st March 2019: 1,67,94,000) Equity Shares of ₹5/- each fully paid up	839.70	839.70
Total	839.70	839.70

B. Reconciliation of Number of Shares

Equity Shares of ₹5/- Each fully paid up	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
Balance as at the beginning of the year	16,794,000	839.70	16,794,000	839.70
Additions during the year:	-	-	-	-
Deletion during the year :	-	-	-	-
Balance as at the end of the year	16,794,000	839.70	16,794,000	839.70

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Naresh Kumar Bansal	6,212,578	36.99	6,108,000	36.37
Richi Bansal	1,469,287	8.75	1,443,000	8.59
Nikhil Naresh Bansal	1,355,998	8.07	1,341,000	7.98
Tarun Dhir-Arun Enterprises (a Partnership Firm)	1,209,821	7.20	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 15 : OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Securities Premium Account	2,176.20	2,176.20
General Reserve	1,277.28	1,277.28
Retained Earnings	4,281.66	4,392.09
Foreign Currency Translation Reserve	55.90	15.67
Capital Reserve	225.70	-
Total	8,016.75	7,861.24

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

NOTE 16 : BORROWINGS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loans from banks#	1,910.39	1,841.24
Less: Current Maturities transferred to Other financial liabilities	(342.02)	(317.71)
	1,568.37	1,523.53
Unsecured Loans		
Loan from Directors	187.06	474.31
Loans and Advances from Related Parties	59.94	69.84
	247.00	544.15
Total	1,815.37	2,067.68

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. Another Term loan for plant expansion is secured by way of hypothecation of plant and machinery purchased from proposed term loan and factory land and Building at Survey No.155,H.No. 4A, Village Umbare, Taluka Khalapur, District Raigad-410203, Maharashtra. Vehicles loan is secured by way of hypothecation of said vehicle.

-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 ₹500.45 Lakhs as at 31.03.2020 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 : 8.35% plus 0.95 % p.a.) with periodical interest reset.

-Second topup term loan against property (LAP) from bank outstanding amounting ₹128.45 Lakhs as at 31.03.2020 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: 8.35% plus 1.40 % p.a.) with periodical interest reset.

-Third topup term loan against property (LAP) from bank outstanding amounting ₹227.24 Lakhs as at 31.03.2020 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: 8.35% plus 0.95 % p.a.) with periodical interest reset.

-Term loan for plant expansion from bank outstanding amounting ₹348.32 Lakhs as at 31.03.2020 are payable in 49 monthly installments commencing from July 2020 to July 2024 with rate of interest 10% p.a.

-First Vehicle term loan from bank outstanding amounting ₹31.69 Lakhs as at 31.03.2020 are payable in 60 monthly installments commencing from March 2017 to Feb 2022 with rate of interest 9.75% p.a.

-Second Vehicle term loan from bank outstanding amounting ₹11.87 Lakhs as at 31.03.2020 are payable in 60 monthly installments commencing from October 2019 to Sept 2024 with rate of interest 9.05% p.a.

-Truck Loan amounting ₹ 25.40 Lakhs taken from Bank carrying a interest rate i.e. 9.50% p.a. repayable in 47 monthly installment of ₹ 0.65 Lakhs till March 01,2023.

Note: Installments falling due in respect of all the above loans upto 31st March, 2020 have been grouped under "" Current Maturities of long term debt"". (Refer Note 20 (c).

NOTE 17 : OTHER FINANCIAL LIABILITIES (NON CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security Deposits	94.00	75.58
Total	94.00	75.58

NOTE 18 : PROVISIONS (NON CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Gratuity	48.36	39.23
Compensated Absences	5.56	4.50
Total	53.92	43.73

NOTE 19 : DEFERRED TAX ASSETS/LIABILITIES(NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Provision for Gratuity and Compensated Absences	21.05	21.31
Unabsorbed Depreciation/ carried forward losses	167.45	164.05
	188.50	185.36
Deferred Tax Liabilities		
Depreciation	275.49	123.47
OCI Adjustments	-	-
	275.49	123.47
Deferred Tax Assets(Net)	-	61.89
Deferred Tax Liabilities(Net)	87.00	-

NOTE 20(A) : BORROWINGS (CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Secured		
Loans Repayable on demand from Banks	6,159.31	6,605.19
Unsecured		
Other Loans from Banks	-	-
Total	6,159.31	6,605.19

* 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 20(B) : TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues to Micro, Small and medium Enterprises (Refer Note No-44)	-	2.70
Total outstanding dues to other than Micro, Small and medium Enterprises	5,926.28	1,879.23
Total	5,926.28	1,881.93

NOTE 20(C) : OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current Maturities of term loans transferred from long term borrowings	342.02	317.71
Interest accrued but not due on Loans	-	7.19
Total	342.02	324.90

NOTE 21 : PROVISIONS (CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Gratuity	26.58	26.64
Compensated Absences	3.37	3.11
Total	29.95	29.75

**NOTE 22 : OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customers and Others	310.43	162.90
Statutory Levies	23.78	19.39
Employee Benefits Payable	51.41	46.74
Expenses Payable	67.65	36.53
Total	453.27	265.56

NOTE 23 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxation	18.99	217.19
Less: Advance Tax	(10.00)	(165.44)
Total	8.99	51.75

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Sale of Products		
Finished Goods		
Within India	26,457.52	38,060.50
Outside India	1,206.80	1,433.65
Traded Goods	7,227.73	10,340.45
Total Gross Sales(including excise duty)	34,892.05	49,834.60
Other Operating Revenue		
Scrap Sale (Including Excise Duty)	352.27	549.71
Job Work Income	8.81	15.76
Export Incentives	27.77	14.54
Total	388.85	580.01
Total Revenue from Operations	35,280.90	50,414.61

NOTE 25: OTHER INCOME

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with bank	139.58	61.06
Liabilities no longer required written back	0.60	4.39
Foreign Exchange Gain(net)	42.27	18.74
Rental Income	180.50	175.69
Miscellaneous Income	2.10	4.17
Total	365.06	264.05

NOTE 26 : COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
Opening Stock	3,064.48	2,441.25
Add: Purchase	31,535.95	47,918.96
Less: Closing Stock	(1,469.63)	(3,064.48)
Less: Cost of Raw Material cleared as such	(7,128.74)	(9,900.72)
Total	26,002.06	37,395.01

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock		
Finished Goods	658.37	925.37
WIP	551.00	-
Scrap Material	12.40	17.78
Traded Goods	-	-
Total (A)	1,221.77	943.15
Closing Stock		
Finished Goods	1,127.34	658.37
WIP	656.06	551.00
Scrap Material	37.22	12.40
Traded Goods	132.07	-
Total (B)	1,952.69	1,221.77
Total (A-B)	(730.93)	(278.62)

NOTE 28 -EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages, Bonus etc.	654.21	552.97
Contribution to Provident and Other Funds	18.45	17.23
Staff Welfare Expenses	7.30	6.54
Gratuity	13.94	12.06
Compensated Absences	2.71	1.82
Total	696.61	590.62

NOTE 29 -FINANCE COST

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense on :	953.07	925.20
Other Expenses	10.07	11.99
Total	963.14	937.19

NOTE 30 -DEPRECIATION AND AMORTISATION

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation	258.16	258.30
Depreciation on investment property	14.53	14.21
Amortisation of intangible assets	1.12	3.93
Right of Use Assets Amortisation	16.29	-
Total	290.09	276.44

NOTE 31 : OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Job Work Charges	7.89	9.96
Power & Fuel Expenses	311.05	334.75
Repair & Maintenance :-	-	-
Building	23.47	25.26



(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Plant & Machinery	22.98	31.30
Rent (Including Lease Rent)	43.33	20.75
Printing & Stationery	5.99	9.24
Postage & Telephone	24.17	6.65
Vehicle Running Expenses	9.96	11.30
Fees & Taxes	22.86	40.10
Travelling Expenses:	-	-
Directors	6.02	16.17
Others	31.91	10.72
Legal & Professional Charges	35.28	19.60
Loss on sale of PPE / Investments	-	3.19
Donation	0.11	0.37
Corporate social responsibility expenses (Refer Note 40)	25.50	23.86
Miscellaneous Expenses	18.70	7.57
Auditor's Remuneration	2.50	4.75
Insurance	13.92	5.97
Key-man Insurance	15.69	0.02
Office Expenses	20.83	3.46
Advertisement Expenses	-	0.75
Commission	43.12	16.61
Freight Outward	277.74	119.28
Business Promotion	29.38	26.37
Bad Debt	1.75	3.80
Other Selling Expenses	86.52	50.30
Stores and Spares	236.64	360.98
Total	1,317.32	1,163.06

NOTE 32 : TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		
Current Tax on profits for the year	18.99	217.19
Adjustment for current tax of prior periods	0.48	28.02
Total current tax expense	19.47	245.21
Deferred Tax		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	149.20	(143.05)
Total deferred tax expense/(benefit)	149.20	(143.05)
Total Tax Expense	168.67	102.16

33. 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, 2020 and March 31, 2019.

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, 2020 and March 31, 2019 :-

Particulars	Currency	₹ in Lakhs	
		As at March 31, 2020	As at March 31, 2019
Financial Assets:-			
Trade Receivables	USD	2,661.64	36.87
Unsecured Loan / Advance Receivables	USD	128.43	147.40
Financial Liabilities:-			
Trade Payables	USD	2,188.65	-
Net (Assets) / Liabilities		601.43	36.87

* Trade Receivables and Trade Payables are related to Merchant Trade which is naturally hedged, inward and outward controlled by EEFC Account.

**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, 2020	Sell	-	-	-
	Buy	23.00	24.78	1,869.34
As at 31st March, 2019	Sell	-	-	-
	Buy	16.00	21.17	1,496.53

Summary of exchange difference accounted in Statement of Profit & Loss

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net foreign exchange (gain)/ losses shown under Other Income	42.27	19.46
Net foreign exchange (gain)/ losses shown under OCI	40.24	18.44
Total	82.51	37.90

(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	8,316.70	8,026.14	92.15	9.75%
Total as at 31 March, 2020	8,316.70	8,026.14	92.15	9.75%
INR	8,997.77	8,407.08	101.54	9.85%
Total as at 31 March, 2019	8,997.77	8,407.08	101.54	9.85%

(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 2020	Less than 1 year	Above 1 year	Total
Non Current borrowings	-	1,815.37	1,815.37
Current borrowings	6,159.31	-	6,159.31
Trade payables	5,926.28	-	5,926.28
Other financial liabilities	342.02	94.00	436.02
Total	12,427.61	1,909.37	14,336.99

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
Total	8,812.02	2,143.26	10,955.28

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 2020	As at 31st March 2019
Interest-bearing loans and borrowings	8,118.29	8,508.62
Equity	8,856.45	8,700.94
Capital and net debt	16,974.74	17,209.56
Gearing ratio in %	47.83%	49.44%

**34. 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	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at amortised cost				
Trade Receivables	7,214.99	7,214.99	6,445.95	6,445.95
Cash & cash Equivalents	1,311.65	1,311.65	676.11	676.11
Bank balances other than above	-	-	-	-
Other Financial assets	847.29	847.29	461.03	461.03
Total	9,373.93	9,373.93	7,583.09	7,583.09
Financial liabilities designated at amortised cost				
Non Current Borrowings	1,815.37	1,815.37	2,067.68	2,067.68
Current Borrowings	6,159.31	6,159.31	6,605.19	6,605.19
Trade payables	5,926.28	5,926.28	1,881.93	1,881.93
Other financial liabilities	436.02	436.02	400.48	400.48
Total	14,336.99	14,336.99	10,955.28	10,955.28

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, 2020		
	Level 1	Level 2	Level 3
Financial Assets Security deposits ¹	-	100.36	-

(₹ in Lakhs)

Particulars	As at 31st March, 2019		
	Level 1	Level 2	Level 3
Financial Assets Security deposits ¹	-	88.01	-

(₹ in Lakhs)

Particulars	As at 31st March, 2020		
	Level 1	Level 2	Level 3
Financial Liabilities Borrowings-fixed rate other financial liabilities			
	-	92.15	-
	-	436.02	-

(₹ in Lakhs)

Particulars	As at 31st March, 2019		
	Level 1	Level 2	Level 3
Financial Liabilities Borrowings-fixed rate other financial liabilities			
	-	101.54	-
	-	400.48	-

During the year ended 31st March 2020 and 31st March 2019, 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, 2020 and March 31, 2019 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.
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.

35. 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. Company has established a new foreign company namely RST Industries Limited in Lagos, Nigeria through the investment by its wholly owned subsidiary RST International Trading FZE, Dubai in the same line of business. The Segment wise Results of Manufacturing and Trading are given below :

**Statement of Segment wise Revenue, Results, Assets & Liabilities:-**

Particulars	Quarter ended March 31,2020	Quarter ended Dec 31,2019	Quarter ended March 31,2019	Year ended March 31,2020	Year ended March 31,2019
Segment Total Revenue					
Manufacturing - Steel Pipe	4,048.23	7,419.40	9,405.35	28,418.23	40,338.21
Trading- Steel Products	4,492.99	1,390.44	4,279.04	7,227.73	10,340.45
Total	8,541.22	8,809.84	13,684.39	35,645.96	50,678.66
Segment Results					
Manufacturing - Steel Pipe	431.34	226.55	452.58	1,149.07	1,436.82
Trading- Steel Products	50.20	68.46	62.27	98.99	439.73
Total	481.54	295.00	514.85	1,248.07	1,876.55
Less : Finance Cost	225.63	255.17	172.29	963.14	937.19
Add : Exceptional Items	-	-	-	-	-
Profit before Tax	255.90	39.84	342.56	284.93	939.37
Segment Assets					
Manufacturing - Steel Pipe	20,201.43	20,024.68	19,439.25	20,201.43	19,439.25
Trading- Steel Products	3,625.13	859.98	710.96	3,625.13	710.96
Total	23,826.56	20,884.66	20,150.21	23,826.56	20,150.21
Segment Liabilities					
Manufacturing - Steel Pipe	14,970.12	11,220.95	11,449.26	14,970.12	11,449.26
Trading- Steel Products	2,902.40	158.46	106.81	2,902.40	106.81
Total	17,872.52	11,379.41	11,556.07	17,872.52	11,556.07

36. INCOME TAX EXPENSES

(₹ in Lakhs)

S.No.	Description	Year ended March 31, 2020	Year ended March 31, 2019
1	Current Tax	18.99	217.19
2	Deferred Tax	149.20	(143.05)
3	Previous year taxation adjustments	0.48	28.02
4	MAT credit entilement	-	-
	Total	168.67	102.16

Effective Tax Reconciliation

(₹ in Lakhs)

S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Net Loss/ Income before Taxes	284.94	939.34
	Enacted tax rates Computed Tax	25.168%	27.820%
	Income (Expense)	71.71	261.32
	Increase /(Reduction) in taxes on account of :-		
1	Amount Not taxable/ exempt	(52.73)	(44.13)
2	Previous year taxation adjustments	0.48	28.02
3	Deferred tax	149.20	(143.05)
	Total	168.67	102.16
	Effective Tax Rate	59%	11%

37. 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, 2020	Year ended March 31, 2019
Book base and tax base of Fixed Assets	167.32	20.16
(Disallowance) / Allowance (net) Under Income Tax	(18.44)	(163.32)
Ind-As adjustments	0.32	0.11
Total	149.20	(143.05)

Component of tax accounted in OCI

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Deferred Tax Gain/ (Loss) on defined benefit	0.32	0.11
Total	0.32	0.11

38. RETIREMENT BENEFIT OBLIGATION
I. Expenses recognised for Defined Contribution plan

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Company's Contribution to provident fund	13.00	10.92
Company's Contribution to ESI	5.45	6.31
Company's Contribution to superannuation fund	-	-
Total	18.45	17.23

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in Balance sheet as of March 31, 2020 and March 31, 2019, 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, 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
Present value of obligation-March 31, 2019'	65.87	7.61
Present value of obligation-April 1, 2019	65.87	7.61
Current Service Cost	7.79	1.49
Interest Cost	5.05	0.58
Benefits paid	(5.09)	(1.39)
Remeasurements-actuarial loss/ (gain)	1.32	0.64
Present value of obligation-March 31, 2020'	74.93	8.93

III. Movement in Plan Assets-Gratuity

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
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)	-	-
Fair Value of plan assets at end of year	-	-
Present value of obligation Net Funded status of plan	-	-
Actual return on plan assets	-	-

**IV. Recognised in Profit & Loss**

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated absence
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	-	-
For the year ended March 31, 2019	12.06	1.82
Current Service Cost	7.79	1.49
Interest Cost	5.05	0.58
Expected return on plan assets	-	-
Remeasurements-actuarial loss/ (gain)	1.32	0.64
Past Service cost	-	-
For the year ended March 31, 2020	14.15	2.71
Actual return on plan assets	-	-

V. Recognised in other comprehensive income

Particulars	(₹ in Lakhs)	
	Employee Benefit Expenses	
Remeasurement-Actuarial loss/ (gain)	0.38	
For the year ended March 31, 2019	0.38	
Remeasurement-Actuarial (loss)/ gain	1.32	
For the year ended March 31, 2020	1.32	

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Attrition rate	3%	3%
Discount rate	6.76	7.66
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 (2012-14)	100% of IALM (2006- 08)
Expected Average remaining working lives of employees (years)	19.12	21.28

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, 2020**

Particulars	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	-2.98	-0.38
	-0.50%	3.25	0.42
Salary Growth rate	0.50%	3.26	0.42
	-0.50%	-3.01	-0.39
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, 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	-	-	-

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
For the year ended March 31, 2020		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-
For the year ended March 31, 2019		
Plan Liabilities-loss / (gain)	-	-
Plan Assets-loss / (gain)	-	-

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

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
01 Apr 2020 to 31 Mar 2021	26.58	
01 Apr 2021 to 31 Mar 2022	3.54	
01 Apr 2022 to 31 Mar 2023	1.38	
01 Apr 2023 to 31 Mar 2024	0.86	
01 Apr 2024 to 31 Mar 2025	0.85	
01 Apr 2025 to 31 Mar 2026	1.58	
01 Apr 2026 Onwards	40.14	

IX. Statement of Employee benefit provision

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gratuity	74.94	65.87
Compensated absences	8.93	7.62
Other employee benefits	-	-
Total	83.88	73.49

**X. Current and non-current provision for Gratuity and Leave Encashment
For the year ended March 31, 2020**

Particulars	(₹ in Lakhs)	
	Gratuity	Compensated Absence
Current Provision	26.58	3.37
Non Current Provision	48.36	5.56
Total Provision	74.94	8.93

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

Particulars	Gratuity	(₹ in Lakhs)
		Compensated Absence
Current Provision	26.64	3.11
Non Current Provision	39.23	4.50
Total Provision	65.87	7.62

XI. Employee benefits expenses

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salary and Wages	654.21	552.97
Costs-defined contribution plan	35.11	31.11
Welfare expenses	7.30	6.54
Total	696.62	590.62

Particulars	(Figures in no.)	
	Year ended March 31, 2020	Year ended March 31, 2019
Average no of people employed	112	140

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.

39. OTHER DISCLOSURES

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

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
I	Statutory Auditors Fees		
	a) Audit Fees	2.50	2.50
	b) Certification /Others	-	0.09
	c) Out of Pocket Expenses	0.21	0.16
	Total	2.71	2.75
II	Tax Auditors Fees		
	a) Audit Fees	2.25	2.25
	Total	2.25	2.25
III	GST Auditors Fees		
	a) Audit Fees	0.75	0.75
	Total	0.75	0.75
IV	Cost Auditors Fees		
	a) Audit Fees	0.35	0.45
	Total	0.35	0.45
V	Secretarial Auditors Fees		
	a) Audit Fees	0.40	0.40
	Total	0.40	0.40

- 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.

40. 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:

S.No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	Gross amount required to be spent by the Company during the year	25.50	23.86
B	Amount spent during the year	25.00	23.86
(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	25.00	21.86

41. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1)	Disputed liability of Entry tax	69.90	69.90
2)	Guarantees issued by Company's Bankers on behalf of the Company	2,089.42	2,083.91
3)	Letter of Credit Outstanding	2,364.48	1,940.95



42. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ NIL (Previous Year ₹ NIL).
43. Exceptional item consists of Loss (Net) of ₹ NIL (Previous year Loss (Net) of ₹ NIL on the provision of employees benefits pertaining to previous years.
44. 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	(₹ in Lakhs)	
		Year ended March 31, 2020	Year ended March 31, 2019
1	Principal Amount due outstanding	-	2.70
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	-	-

45. PURSUANT TO IND AS-116-'LEASES', THE FOLLOWING INFORMATION IS DISCLOSED:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹162.00 Lakhs and a lease liability of ₹63.83 Lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	(₹ in Lakhs)		
	Category of ROU Asset "Land"	Category of ROU Asset "Commercial Vehicles"	Total
Balance as at April 1, 2019	-	-	-
Reclassified on adoption of Ind AS 116	66.84	70.45	137.29
Additions	-	41.00	41.00
Deletions	-	-	-
Depreciation	1.60	14.69	16.29
Balance as at March 31, 2020	65.24	96.75	162.00

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of

Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Included in the Financial Statements as

Particulars	(₹ in Lakhs)
	As at March 31, 2020
Current lease liability	24.25
Non-current lease liability	39.58
Total	63.83

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ in Lakhs)
	For the Year End- ed March 31, 2020
Balance at the beginning	46.55
Finance Cost accrued during the period	5.92
Deletions	-
Additions	38.40
Payment of lease liabilities	27.04
Balance at the End	63.83

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	(₹ in Lakhs)
	As at March 31, 2020
Less than one year	53.95
One to Five Years	69.31
More than Five Years	-
Total	123.26

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 43.33 Lakhs for the year ended March 31, 2020.

46. 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. Rajeev Kumar Agarwal	Chief Financial Officer
5	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 (Till Nov 17,2019)	Independent Director
3	Mr.Charat Sharma (W.e.f. Nov 17,2019)	Independent Director
4	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
5	M/s Naresh Kumar & Sons HUF	HUF

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	Mr.Nikhil Bansal	Son of Mr. Naresh Kumar Bansal

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

S.No.	Name of transaction/ relationship	₹ in Lakhs)	
		Year ended March 31, 2020	Year ended March 31, 2019
I	Payment of Rent		
	Mr. Naresh Kumar Bansal	-	3.00
	Mrs. Kumud Bansal	12.00	6.00
	Mr. Richi Bansal	1.30	-
	Mr. Nikhil Naresh Bansal	1.30	-
II	Payment of Interest		
	M/s Advance Hightech Agro Products Pvt. Ltd.	2.89	3.15
	Receipt of Interest		
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	58.55	-
III	Sales of finished goods		
	M/s Virinder Engineering and Chemicals Pvt. Ltd.	2.81	6.79
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	116.06	-
IV	Unsecured Loan given		
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	395.00	175.00
	M/s Ravi Developers Pvt. Ltd.	-	0.50
V	Unsecured Loans received back		
	M/s Pir Panchal Constuction Pvt. Ltd Joint Venture	85.00	50.00
VI	Unsecured Loan taken		
	Mr. Naresh Kumar Bansal	273.74	750.00
	Mr. Richi Bansal	7.44	132.98
	Mr. Nikhil Naresh Bansal	2.95	2.85
VII	Unsecured Loans repaid		
	Mr. Naresh Kumar Bansal	505.08	358.67
	M/s Advance Hightech Agro Products Pvt. Ltd.	9.00	-
	Mr. Richi Bansal	72.44	92.83
	Mr. Nikhil Naresh Bansal	2.95	2.85
VIII	Payment of Compensation*		
	Mr. Nikhil Bansal	9.60	6.80
	Mrs.Krati Bansal	-	0.52
	Mrs.Kanika Bansal	-	0.52
IX	Director sitting Fee's		
	Mr. Bharat Bhushan Sahny	0.30	0.30
	Ms. Anju Gupta	0.35	0.30
	Mr. Charat Sharma	0.10	0.10

Compensation of Key Management Personnel of the Company

		(₹ in Lakhs)	
S.No.	Name of transaction/ relationship	Year ended March 31, 2020	Year ended March 31, 2019
	Payment of Compensation*		
I	Mr. Naresh Kumar Bansal	48.00	40.00
II	Mr. Richi Bansal	42.00	34.00
III	Mr. Surender Kumar Sharma	3.20	3.20
IV	Mr. Rajeev Kumar Agarwal	19.00	17.06
V	Mr. Kapil Datta	5.16	4.64

* 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.

5. Balance at the end of the year

		(₹ in Lakhs)	
Name of transaction/ relationship	Year ended March 31, 2020	Year ended March 31, 2019	
Receivable amount of unsecured loan			
M/s Pir Panchal Construction Pvt. Ltd., Joint Venture	558.55	190.00	
M/s Ravi Developers Pvt. Ltd.	0.50	0.50	
Payable amount of unsecured Loans & Interest			
M/s Advance Hightech Agro Products Pvt. Ltd.	48.59	55.00	
Mr. Naresh Kumar Bansal	160.00	391.33	
Mr. Richi Bansal	17.98	82.98	

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.

47. EARNING PER SHARE (EPS)

		(₹ in Lakhs)	
S.No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a.	Net Profit / Loss after tax as per Profit and Loss for basic EPS	155.50	855.35
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	155.50	855.35
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	16,794,000
f.	Weighted Average No. of Potential Equity Shares	-	-
g.	Weighted Average No. of Equity Shares for diluted EPS	16,794,000	16,794,000
.	Basic EPS per Share (in ₹)	0.93	5.09
i.	Diluted EPS per Share (in ₹)	0.93	5.09
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.



48. 'Ind-AS 115 : Revenue from Contracts with customers', mandatory for reporting periods beginning on or after April 1, 2018 replaces the existing revenue recognition standards. The application of Ind-AS 115 did not have any significant impact on audited Consolidated Financial Results of the Company.
49. The Company elected to exercise the option of lower tax rate of 25.168% (including surcharge & Cess) permitted under Section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for the quarter and year ended March 31, 2020 and remeasured its deferred tax assets/liabilities bases the rate prescribed in the said section. The impact of this change has been recognised over the period from April 01, 2019 to March 31, 2020.
50. The spread of Covid-19 has affected the business operations post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down. The Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, The Company has now resumed its operations, however, some of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the company and take necessary measures to address the situation.
- In the case of inventory, Management has performed inventory verification at each of its locations after lifting of the lockdown in the presence of independent chartered Accountant firm and has obtained its report over the existence and condition of Inventories as at March 31, 2020.
51. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
52. Notes 1 to 50 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 : Delhi

Date : June 29, 2020

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, 2020			
	Name of the Subsidiary	Lepakshi Tubes Pvt. Ltd.	RST International Trading FZE	*RST Industries Ltd.
Reporting Period		Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020
Share Capital		490.00	90.20	19.83
Reserves & Surplus		(242.38)	645.11	(2.89)
Total Assets		3241.03	1182.75	2881.36
Total Liabilities		3241.03	1182.75	2881.36
Investments		-	-	-
Turnover		6672.15	1360.24	1566.00
Profit / (Loss) before taxation		(45.40)	(33.58)	(2.89)
Provision for Taxation		37.44	-	-
Profit / (Loss) after Taxation		(82.83)	(33.58)	(2.89)
Proposed Dividend		-	-	-
% of Shareholding		100%	100%	100%

* Step down Subsidiary.

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, 2020
2	Shares of Associate/ Joint Ventures held by the company on the year end	
	No.	-
	Amount of investment in Associates/ Joint Ventures	758.75
	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	758.75
6	Profit / Loss for the year (after tax)	1224.07
I	Considered in Consolidation	306.02
II	Not considered in Consolidation	918.05

For and on behalf of the Board of

Place: Delhi
 Date: June 29, 2020

Sd/-
 Rama Steel Tubes Limited
 Naresh Kumar Bansal
 Chairman & Managing Director
 DIN : 00119213

Notice

Notice is hereby given that the 46th Annual General Meeting of the members of Rama Steel Tubes Limited will be held on Friday, the 20th day of November, 2020 at 12:30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") , 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 31st March 2020, 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 Mr. Surender Kumar Sharma (DIN: 03594435), 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, 2021

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, 2021, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

Item no. 4 – Re-appointment of Mr. Jai Prakash Gupta (DIN: 08859202) as a Director of the Company, in the category of Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jai Prakash Gupta (DIN:

08859202), who was appointed as a Director of the Company in the category of Independent Director, and who holds office up to the conclusion of the 46th Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose his candidature for the office of Director, be and is hereby re-appointed as a Director of the Company, in the category of Independent Director, for a term upto September 3, 2025."

Item no. 5 – Re-appointment of Mr. Naresh Kumar Bansal as a Managing 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 subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Remuneration Policy of the Company and the Articles of Association of the Company, the Company hereby approves the re-appointment of Mr. Naresh Kumar Bansal (DIN: 00119213) as a Managing Director of the Company for a period of five years, with effect from October 1, 2020, upon such terms and conditions as are set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice of this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorised committee of the Board) to alter and vary the terms and conditions of the said re-appointment, including the remuneration which shall not exceed an overall ceiling of ₹4,00,000/- (Rupees Four lakhs only) per month, as may be agreed to between the Board and Mr. Naresh Kumar Bansal.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per schedule V of the Companies Act, 2013 and in case the Company pays in excess of the said limits as specified in the schedule during the stated period then the payment of excess remuneration shall be subject to such approvals as may be required.

RESOLVED FURTHER THAT pursuant to regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with

Schedule-V of the Companies Act, 2013, consent of the members be and is hereby accorded for payment of remuneration to Mr. Naresh Kumar Bansal (DIN: 00119213), Managing Director at such terms and conditions as approved by members in 46th Annual General Meeting, even if the annual remuneration payable to Mr. Naresh Kumar Bansal may exceed rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the tenure of his appointment.

RESOLVED FURTHER THAT pursuant to Section 196(3) of the Companies Act, 2013 read with Part-1 of Schedule- V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder ('the Act') or Listing Regulations as amended from time to time, consent of the members be and is hereby accorded for continue the employment of Mr. Naresh Kumar Bansal, (DIN: 00119213) as Managing Director of the Company even after attaining the age of 70 years at the same terms and conditions as approved by members in 46th Annual General Meeting."

Item no. 6 – Ratification of approval of remuneration to Mr. Naresh Kumar Bansal (DIN: 00119213), Managing Director in terms of regulation 17(6)(e) of SEBI Amended Listing Regulations

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(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the members of the Company be and is hereby accorded for paying remuneration of ₹4,00,000/- (Rupees Four Lakhs only) per month to Mr. Naresh Kumar Bansal (DIN: 00119213), Managing Director belonging to promoter category."

Item no. 7 – Ratification of approval of remuneration to Mr. Richi Bansal (DIN: 00119206), Executive Director in terms of regulation 17(6)(e) of SEBI Amended Listing Regulations

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(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the members of the Company be and is hereby accorded for paying remuneration of ₹3,50,000/- (Rupees Three Lakh Fifty Thousand only) per month to Mr. Richi Bansal (DIN: 00119206), Executive Director belonging to promoter category."

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. General instructions for accessing and participating in the 46th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:
 - a. In view of the outbreak of COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 46th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 46th AGM shall be the Registered Office of the Company.
 - b. In terms of the MCA/SEBI Circulars since the requirement of physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for 46th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in 46th AGM through VC/OAVM Facility and e-Voting during 46th AGM.

In line with the MCA Circulars and SEBI Circular, the Notice of 46th AGM will be available on the website of the Company at www.ramasteel.com, on the website of BSE Limited at www.bseindia.com, on website of National Stock Exchange of India Limited at www.nseindia.com and also on the website of NSDL at www.evoting.nsdl.com.

Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

Members may join 46th AGM through VC/OAVM Facility 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

Members may note that the VC/OAVM Facility, allows participation of upto 1,000 Members on a first-come-first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit and Risk Management Committee, Nomination and Remuneration

follow steps mentioned below in process for those shareholders whose email ids are not registered.

- VII. 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.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

DETAILS ON STEP 2 IS GIVEN BELOW:

How to cast your vote electronically on NSDL e-Voting system?

- I. 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.
- II. 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.
- III. Select "**EVEN**" of company for which you wish to cast your vote.
- IV. Now you are ready for e-Voting as the Voting page opens.
- V. 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.
- VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. : +91-22-24994360 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address investors@ramasteel.com.

4. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in 46th AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company investors@ramasteel.com.

In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self attested scanned copy of the PAN Card, to the email address of the Company investors@ramasteel.com.

5. Instructions for Members for participating at 46th AGM through VC/OAVM are as under:

Members will be able to attend the 46th AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's 46th AGM. Please note that the Members who do not have User ID and Password for e-Voting or have forgotten User ID and Password may retrieve the same by following remote e-Voting instructions mentioned in

the Notice of 46th AGM to avoid last minute rush. Further, Members can also use OTP based login for logging into the e-Voting system of NSDL.

- a. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting.
- b. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid technical glitches.
- c. Members, who would like to ask questions during 46th AGM with regard to the financial statements or any other matter to be placed at the 46th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address investors@ramasteel.com at least 72 hours in advance before the start of the 46th AGM i.e. by November 17, 2020 by 12:30 hours IST. Only those Members who have registered themselves as a speaker shall be allowed to ask questions during the 46th AGM, depending upon the availability of time.

Further, Members who would like to have their questions/queries responded to during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following similar process as stated above.

6. Instructions for Members for e-Voting during the 46th AGM are as under:

- a. Members may follow the same procedure for e-Voting during 46th AGM as mentioned above for remote e-Voting.
- b. Only those Members, who will be present in AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in AGM.
- c. The Members who have cast their vote by remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.

7. Other Guidelines for Members

- a. 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.nsd.com to reset the password.

- b. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date of November 13, 2020.

Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 46th AGM by email and holds shares as on the cut-off date i.e. November 13, 2020, may obtain the User ID and password by sending a request to the Company's email address investors@ramasteel.com. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com.

- c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
- d. M/s. Arun Kumar Gupta & Associates, Company Secretaries, New Delhi, has been appointed as the Scrutinizer to scrutinize remote e-Voting process and casting vote through e-Voting system during the Meeting in a fair and transparent manner.

The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.ramasteel.com and on the website of NSDL; such results will also be forwarded to the National Stock Exchange of India Limited, BSE Limited, where the Company's shares are listed.

8. Pursuant to the MCA Circulars and SEBI Circular, in view of prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of 46th AGM and the Annual Report for the year 2019-20 including therein the Audited Financial Statements for year 2019-20, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of 46th AGM and Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address

registered by following the steps as given below:-

For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered alongwith scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address investors@ramasteel.com.

For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

Notice of 46th AGM and Annual Report for the year 2019-20 including therein the Audited Financial Statements for the year, will be available on the website of the Company at www.ramasteel.com and the website of Stock Exchanges at BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of 46th AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

11. During 46th AGM, Members may access scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Login to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
12. The Register of Members and Share Transfer Books of the Company will remain closed from November 13, 2020 to November 20, 2020 (both days inclusive).
13. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the AGM, are detailed in Annexure-I of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment/ reappointment.
14. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliance by companies. Also, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, permits companies to send soft copies of Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiatives by registering / updating their e-mail address for receiving electronic communications. The Notice for Annual General Meeting along with the Annual Report of the Company will be made available on the Company's website -www.ramasteel.com.

By order of the Board of Directors

Sd/-

Date: October 5, 2020
Place : Delhi

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 7 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, 2021 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, 2021.

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

Mr. Jai Prakash Gupta was appointed as an Additional Independent Director by the Board w.e.f. 4th September, 2020 who holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received a declaration from Mr. Jai Prakash Gupta that he is meeting with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015. Further, The Company has also received a notice in writing under Section 160 of the Act from her proposing her candidature for the office of Director in the Company.

The Board on recommendation of Nomination and Remuneration Committee considered the appointment of Mr. Jai Prakash Gupta as a Director of the Company and it would be of immense benefit to the Company. Accordingly, the Board of Directors recommends him appointment as an Independent Director of the Company, who will not be liable to retire by rotation, for a period of five (5) consecutive years effecting from September 4, 2020 to September 3, 2025.

Mr. Jai Prakash Gupta has done Diploma in Mechanical Engineering. He has over 30 years of experience in steel pipe

industry. He has rich experience of 30 years in Jindal Pipes Limited. His suggestions and guidance has helped in improving production process, achieving production targets, minimizing breakdowns and product rejections.

His industry knowledge and business essence remain unparalleled. His insights on providing the best products and business values to various stakeholders would have been the guiding light for Rama Steel Tubes Limited.

In compliance with the requirement of Secretarial Standard-2 (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India and as per Regulation 36 (3) of the SEBI (LODR) Regulations the details of Mr. Jai Prakash Gupta is attached.

Mr. Jai Prakash Gupta is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment. Relatives of Mr. Jai Prakash Gupta may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

Mr. Naresh Kumar Bansal was appointed as Managing Director w.e.f. 1st October 2015 for a period of Five (5) years i.e. upto September 30, 2020.

Having regard to the valuable services rendered to the company by him, your Directors have in their meeting held on August 12, 2020, based on the recommendations of the Nomination and Remuneration Committee reappointed Mr. Naresh Kumar Bansal as Managing Director for a period of Five (5) years w.e.f. October 1, 2020, subject to the approval of members in General Meeting, on the following terms & conditions:

Tenure of Appointment: 5 year w.e.f. 1st October 2020 till 30th September 2025

Salary: ₹4,00,000/- p.m. or ₹48,00,000/- p.a.

Perquisites: Perquisites shall be allowed in addition to salary.

Children's Education Allowance: In case of children studying in or outside India, an allowance limited to a maximum of ₹5,000/- per month per child or actual expenses incurred, whichever is less. However such allowance is admissible upto a maximum of two children.

Leave Travel Concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.

Holiday Passage for children studying outside India/ family staying abroad: Return holiday passage once in a year by economy class or once in two year by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.

Medical Reimbursement: Expenses incurred for Managing Director and their respective family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

Club Fees : Including entrance and subscription of maximum of two clubs together with the benefit of all expenses incurred towards the business of the Company.

Personal Accident Insurance: Premium not to exceed ₹1000/- per year.

Contribution to the Provident Fund : Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity : Payable shall not exceed half a month's salary for each completed year of service, subject to the maximum ceiling limit of exemption under the Income Tax Act applicable at that time.

Encashment of leave : At the end of the tenure.

Provision of car : for use on the Company's business and **Telephone** at resident will not be considered as perquisite.

In terms of the provisions of Section 196, 197 and 198 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any amendment(s) or modification(s) thereof for the time being in force), (here in after referred as 'Act'), and Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on 9 May, 2018 ("Amended Listing Regulations"), the aforesaid matter requires approval of the members and accordingly approval of the members by way of Special Resolution is being sought for giving effect to the above.

Pursuant to Section 196(3) of the Companies Act, 2013 read with Part-1 of Schedule-V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder ('the Act') or Listing Regulations as amended from time to time, consent of the members by way of Special Resolution is required for continue the employment of Mr. Naresh Kumar Bansal (DIN: 00119213) as Managing Director of the Company even after attaining the age of 70 years during his term from October 1, 2020 to September 30, 2025."

Except Mr. Naresh Kumar Bansal as appointee Director and Mr. Richi Bansal, being relative of the appointee Director, none of the Directors, KMP(s) and their relative(s) are interested or concerned in the Special resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

ITEM NO. 6

The members of the Company in its Extra-ordinary General Meeting held on March 3, 2017 has approved remuneration of Mr. Naresh Kumar Bansal (DIN: 00119213) of not more than ₹4,00,000/- per month by way of Special Resolution for his pending tenure i.e. upto September 30, 2020.

In terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on 9 May, 2018 ("Amended Listing Regulations"), the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if:

- the annual remuneration payable to such Executive Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Listed Entity, whichever is higher; or
- where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the Listed Entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Accordingly consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of the Notice for ratification of remuneration payable to Mr. Naresh Kumar Bansal under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 for his current term upto September 30, 2020.

Except Mr. Naresh Kumar Bansal and Mr. Richi Bansal, none others Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 7

The members of the Company in its Extra-ordinary General Meeting held on March 3, 2017 has approved remuneration of Mr. Richi Bansal (DIN: 00119206) of not more than ₹3,50,000/- per month by way of Special Resolution.

In terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on 9 May, 2018 ("Amended Listing Regulations"), the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if:



a. the annual remuneration payable to such Executive Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Listed Entity, whichever is higher; or

b. where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the Listed Entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Accordingly consent of the members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice for ratification of remuneration payable to Mr. Richi Bansal under

Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Except Mr. Naresh Kumar Bansal and Mr. Richi Bansal, none others Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

By order of the Board of Directors

Date: October 5, 2020
Place : Delhi

Sd/-
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	Mr. Naresh Kumar Bansal	Mr. Surender Kumar Sharma	Mr. Jai Prakash Gupta
Date of Birth	24-04-1954	08-07-1955	01-07-1959
Date of first appointment on the Board	26-02-1974	30-09-2016	04-09-2020
Qualification	Law Graduate	Graduate	Diploma in Mechanical Engineering
Brief Profile and Nature of Expertise	Mr. Naresh Kumar Bansal is the Chairman and Managing Director of Rama Steel Tubes Limited ("RSTL"). 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 essence 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 rightly said that he is the backbone of the company.	Mr. Surender Kumar Sharma spearheads the managerial functions at Rama Steel Tubes Limited and help us achieve excellence at every department. His hard work and meticulous planning serve as an excellent example of being committed to your work.	Mr. Jai Prakash Gupta has done Diploma in Mechanical Engineering. He has over 30 years of experience in steel pipe industry. He has rich experience of 30 years in Jindal Pipes Limited. His suggestions and guidance has helped in improving production process, achieving production targets, minimizing breakdowns and product rejections.
Experience in Specific Functional Area	Experience of more than 40 years in Steel Tube Industry	Experience of more than 30 years in Steel Tube Industry	Over 30 years of experience in steel pipe industry.
Directorship held in other Companies	ADVANCE HIGHTECH AGRO PRODUCTS PRIVATE LIMITED VIRINDER ENGINEERING AND CHEMICALS PRIVATE LIMITED LEPAKSHI TUBES PRIVATE LIMITED RAVI DEVELOPERS PRIVATE LIMITED	LEPAKSHI TUBES PRIVATE LIMITED	NIL
Chairman/Member of Committees of Board of other Companies of which he is a Director	NIL	NIL	NIL
No. of Shares held	6214278 Equity Shares	NIL	NIL
Terms and conditions of re-appointment	Re-appointment for period of 5 years	Director Liable to retire by rotation	Appointment for period of 5 years
Last Drawn Remuneration incl. Sitting Fees for Board & Committee(s) Meeting (2019-20)	Salary - ₹ 48Lakhs	Salary - ₹ 3.20 Lakhs	Sitting fees - ₹ 0.0 Lakhs
Relationship with other directors and Key Managerial Personnel	Father of Mr. Richi Bansal	None	None
Number of Board Meetings attended in FY 2019-20*	8 out of 8	8 out of 8	N.A.

*Refer Report on Corporate Governance for more details

Rama Steel Tubes Limited

Timeline of **EXCELLENCE**

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 setup 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. One of India's largest solar energy projects in ERW Pipes segment is setup.

Crossed ₹ 500 Crore mark in Turnover. Sales volumes crossed 1 Lakh MT.

2019

2020

- Expansion from 72,000 MT PA to 1,32,000 MT PA at Khopoli nearing completion. Production of upto 8 Inch pipes to start soon
- First ever plant modernization initiated at Sahibabad – A Mill Upgradation Capacity enhancement at Lepakshi plant from 36,000 MTPA to 72,000 MTPA started.

**All on-going expansion/ upgradation which were on-track to be completed in FY20, were delayed due to the impact caused by Covid-19.*



Rama Steel Tubes Ltd.

(CIN: L27201DL1974PLC007114)

Registered Office:

B-5, 3rd Floor, Main Road, Ghazipur , New Delhi-110096

Tel. No. +91 11-43446600,

E-Mail: investors@ramasteel.com | Website: www.ramasteel.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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,
LEPAKSHI TUBES PRIVATE LIMITED
B-5 3rd Floor, Main Road, Ghazipur New Delhi 110096

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lepakshi Tubes Private 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 **Lepakshi Tubes Private Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** 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 **Lepakshi Tubes Private Limited** for the financial year ended on 31st March, 2020 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- **Not Applicable as the shares of the Company are not listed in any stock exchange in India;**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not Applicable as the shares of the Company are in physical form;**

(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; **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable as the shares of the Company are not listed in any stock exchange in India**

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; **Not Applicable**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- 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; **Not Applicable**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

(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:

- Income Tax Act 1961, Wealth Tax Act, Goods and Services Tax Act, 2016 and rules made thereof.
- Goods and Service Tax (GST) Laws.

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. **(Not Applicable as the shares of the Company are not listed in any stock exchange in India)**

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.

For **ARUN KUMAR GUPTA & ASSOCIATES**

COMPANY SECRETARIES

Sd/-

(ARUN KUMAR GUPTA)

FCS: 5551

CP: 5086

UDIN: F005551B000393620

Place: Delhi

Date: 29/06/2020

Annexure A'
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. Appointment, Re-appointment, Retirement of Directors and payment of remuneration.
6. 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;
7. Disclosures requirements in respect of their eligibility for appointment;
8. Related party transactions which were in the ordinary course of business and at arm's length basis and were placed before the Board for their review/approval as and when required;
9. Appointment and remuneration of Statutory Auditors;
10. Notice of the meetings of the Board;
11. Minutes of the meeting of the Board;
12. Notice convening Annual General Meeting held on September 30, 2019 and holding of the meeting on that date;
13. Minutes of General Meeting;
14. Approval of the Members, Board of Directors and Government Authorities wherever required;
15. Form of the Balance Sheet as at March 31, 2019 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;
16. Report of the Board of Directors for the financial year ended March 31, 2019;
17. Transfer of Equity Shares and issue and delivery of share certificates;
18. Borrowings and registration of charges;
19. Investment of Company's funds and inter-corporate loans and investments.
