

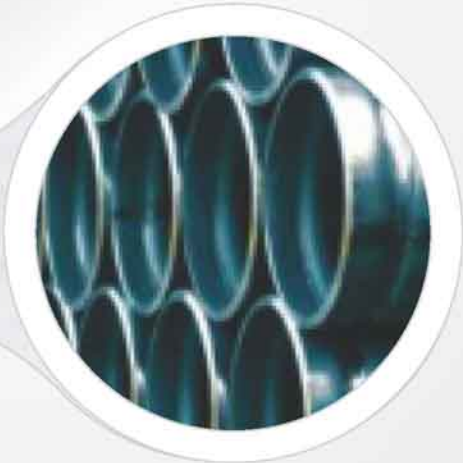


# *Growth* Steel Solid Commitment Co



**Rama Steel Tubes Ltd.**

41<sup>st</sup> Annual Report | 2014-15







**Sh. Harbans Lal Bansal**  
**( 01-04-1930 to 20-02-2009)**

**Sh. Harbans Lal Bansal**, a charismatic personality, was the founder Promoter of RAMA.

Born in an average family in Punjab, he shifted to Delhi in Mid-60s and made a very humble beginning by setting a trading firm in pipes and other steel products. Just in a period of around 5 Years, he became a name of fame in the Steel Pipe Industry. He started being recognized as the symbol for quality and trust.

Buoyed by the success in Trading and getting full support from his other family members, he decided to set up his own manufacturing unit. That brought RAMA STEEL TUBES LIMITED (RSTL) into existence in the Year 1974, which started its first manufacturing Unit at Sahibabad in the Year 1981. After that he did not see back and kept expanding his business empire. Under his able leadership, RSTL kept consolidating its position in the market which showed up in its financial statements.

Within his organization he was a friend, philosopher and guide to colleagues and workers, leading them with compassion and supporting them through thick & thin.

He was a great visionary and dynamic leader. Under his stewardship & valuable guidance, the Company has today achieved its present prestigious name & position in "Steel Tube" Industry. Sh. Harbans Lal Bansal was much more than just a successful leader.

## ***Our Vision***

To sustain our position as one of India's valuable enterprise through highest standards of quality, creating greater value for India's economy and our stakeholders.

## ***Our Mission***

- To emerge as a leading manufacturer in steel tube industry on the strengths of our quality and strength.
- To serve the satisfaction of our customers by producing products that are symbols of durable excellence.
- To add every possible value in the service in pursuit of a strong and long term bonds with our customers.



# Rama Steel Tubes Limited

## The growth saga

“Rama Steel Tubes Limited”, incorporated in the year 1974 at Delhi, was founded and promoted by the great visionary and dynamic leader Sh. Harbans Lal Bansal who had vast experience of over five decades in trade and industry of steel pipes and tubes. Under the stewardship & valuable guidance of Sh. Harbans Lal Bansal, the Company has today achieved its present prestigious name and position in “Steel Tube” Industry.

Rama Steel set up its initial unit in 1981 with an installed capacity of 10,000 metric tonnes per annum, at B-21, Industrial Area Site No. 4, Sahibabad (Uttar Pradesh), an industrial area which is just 10 kms. from Delhi, the National Capital of India, and is well connected with road & rail. In the year 1984, the installed capacity got increased to 25,000 metric tonnes which further got increased to 75,000 metric tonnes in the year 1992.

In the year 1987, Rama Steel started its another plant to galvanise the black pipes and received contracts and orders from D.G.S&D and various other government departments.

In the year 1990, Rama Steel started manufacturing larger dia Pipes as per IS-3589 & IS4270 in addition to the IS-1239 and IS-1161 which are mandatory to manufacture the steel pipes under the able guidance of qualified technical team. IS Specification and Company's Trade Mark “TTT Rama” or “Gujrat Rama” are embossed at the distance of every meter of the pipe and have become symbolic with the product of the Company.

In the year 2001, the Company set up another plant at B-5, Industrial Area Site No. 4, Sahibabad (Uttar Pradesh) to manufacture 24000 MT pipe p.a.

In order to improve profitability of the company, we have erected one more plant at Khapoli, Distt. Raigad, Maharashtra (Near Navi Mumbai) with an initial installed capacity of 36,000 metric tones per annum. We had already conducted the trial production and regular production has been started from April 6, 2015.

At present, Rama Steel is an established brand and name in the steel tube industry with a turnover of more than Rs. 180 crores per annum and a strong sales network comprising of dealers, distributors and stockists in all parts of the country

The product of the Company has become a symbol of excellence and first choice for those who never compromise with the quality and strength.

Lately, Rama Steel in the last decade has also entered international markets by starting exporting the galvanized pipes to other countries.

Despite the stiff competition in Domestic and Export Markets, Rama Steel has been able to establish itself at all level of markets be it local market, government procurement and export.

### PRODUCTS:

Rama Steel is engaged in the manufacturing of full range of MS/G.I. Pipes i.e. from 15mm dia. to 200mm dia. in light, medium & heavy classes conforming to IS-1239 (Part-1) 1990 with latest amendments. Besides G.I. Pipes, Rama Steel also manufactures MS ERW Black Pipes from 15mm to 200mm NB conforming to IS:1239(Part-1)2004, IS-1161, IS-3589, IS-4270 & IS-3601. Rama Steel also manufacture steel tubular poles from SP-1 to SP-80 conforming to IS-2713 for overhead lines.

The Company has also started the production of hollow sections and square pipes which is mainly used in infrastructure industry.





**Dear Shareholders,**

For over four decades, we have strengthened our business model with a flexible and asset-light approach. There were headwinds along the way, but we persevered with a focus to meet and exceed customer expectations. The result is that today we have emerged as a consistent ERW Steel Tubes and Hollow Sections manufacturer with superlative products excellence.

We are creating value for our customers by continuously innovating to upgrade the quality of our products, enhancing integration across all segments of operations and implementing strategies to drive future growth. The performance of the Company during the last financial year was a testimony of all that we have believed in and the strong foundation that we have built the company upon. Our industrial customers as well as retail customers grew significantly, and we continue to invest large amounts in quality material and solutions that deliver high operating efficiencies.

Our gross sales for the financial ended March 31, 2015 crossed the psychological mark of Rs. 200 Crore even though metal prices dropped significantly in line with the global pricing scenario. Our export sales also registered a good growth, during the current fiscal we exported 16,325MT quantity majorly to UK, other European Countries, UAE, Middle East and Africa amounting Rs. 79.15 Crore, against the previous year's export quantity of 6679MT amounting Rs. 34.72 Crore, a growth of 145% in quantity terms and 128% in value term. We are a recognized 'Star Export House' and recipient of various EEPIC India awards conferred in recognition of our export excellence.

Our Net Revenues stood at 194.82 Crores as compared to 181.34 Crores in previous year, registered a growth of 5.34% whereas the total quantity sold during the current fiscal is 5.21% more (this year we sold 44627.92 MT materials as compared to 42418.66 MT during the previous year). However, due to rising cost of production, interest cost and overheads our EBITDA for the year stood at Rs. 8.40 Crores as compared to Rs. 8.78 Crores for the financial year ended March 31, 2014. However I would like to reaffirm that we are exceptionally well positioned due to our strong market presence in the growing Indian and emerging international markets, strong balance sheet and strong track record of organic growth coupled with low cost of operations. This provides the foundation for delivering profitable growth and creating long term shareholder value.

With a new robust government at the centre, India will look to recover the time and opportunities lost in the past few years. Certain areas has already been identified as a major bottle-neck area by the new government and huge investments are on the horizon with substantial private sector participation. In collaboration various governments and their agencies are aggressively announcing various initiatives for strong and robust economic developments such urbanization, sanitization, smart cities schemes, rapid transportation systems for better connectivity, metros, railways and aviation schemes etc. Furthermore, with the increasing per-capita disposable income steel, pipes, structures consumption is increasing day by day.

Consequent to all these developments rapid urbanization and accelerating industrialization will drive the demand for more steel tubes and hollow sections. Besides, there is need for accelerated capacity additions to achieve the 'Make in India' initiative of Government of India. Rama Steel Tubes Limited, is attractively poised to grow, as a long-term plan, we have already initiated certain strategic initiatives.

**1. Modernization n Value Addition**

we undertook a drive modernization and de-bottlenecking of our existing manufacturing facilities, which 'll result in better, efficient and competitive operations. Further we have decided to shift towards value-added products. This will help us in derisking our product mix from cut-throat competition and it will strengthen our margins and hence, our corporate brand.

**2. Manufacturing Facilities in Western India**

for accelerated pace of growth, strengthen the Company's position in the emerging markets, especially in western part of India (there is huge demand-supply gap in this particular segment) it became necessary to enter into new territory and for this purpose, the management of the Company decided to set up a green field project in Khopoli, Dist. Raigad, Maharashtra. This manufacturing facility'll have installed capacity of 25000 MT per annum in Phase-I and will manufacture ERW Steel Tubes & Pipes in all four categories viz. Black Pipe, Hot dipped Galvanized Pipes, Hollow Sections and Pre-Galvanized Pipes and will further enhance Company's product offerings and 'll also result in improvements in overall margins on account of higher margins in that market. Being proximate to ports, these facilities would not only ensure savings in logistics cost, but would also enable higher exports.

We have already implemented substantial part of the project and commercial production has been started since. We are establishing this project as state of art, world class manufacturing line, completely synchronized with ancillary, balancing/finishing equipments with superior layout plans and as such we are expecting better capacity utilization at that plant as compared to the existing facilities and to the industry average also.

**3. Joint Venture Business**

The Jammu & Kashmir had initiated a drive of electrification in its vastly spread villages and other areas in the Year 2008 and invited private sector entities for participation. Your Company formed a joint venture with other constituents and presently the company's investment in the this Joint Venture stands at Rs. 34 millions. This Joint Venture has executed contracts worth more than Rs. 1400 millions till date since inception with success. Banking on this successful joint venture's track record, the Company is exploring and actively considering similar opportunities also.

**4.Overseas Footprint**

with an objective of exploring the business opportunities in international steel products market, and to take the strategic advantage of its location the company set up a wholly subsidiary company with an initial investment of Rs. 10 Million in Dubai M/s RST International Trading FZE. The company was registered with UAE Authorities in February 2015 and started operating in April-2015. The said company is doing business of trading in basic steel products, basic non-ferrous metal products, building construction material, pipe & fitting goods and industrial plant equipment & spare parts. Its operations are presently spread over UAE, Sudan, Ethiopia, India and is contemplating to extend to European Countries and other African countries..

We are ready for an exciting future and have identified our set of priorities: expand our capacities and strengthen supply chain capabilities; extend our brand presence across India with qualitative products-delivered in time-with an asset-light model; grow presence in international markets, venture into synergic products, platforms and opportunities.

Before I conclude, I would like to thank all our team members for their unstinted support and commitment during the challenging period. Our people are the real champions behind our success, who have consistently embraced challenges and took the business forward. I would also like to thank my fellow Board members for their unconditional support. I extend my gratitude to our customers, suppliers and other stakeholders for their continued engagement.

We remain committed to stakeholder value creation and will live up to the trust reposed on us.

*with warm regards,*

**Naresh Kumar Bansal**  
Chairman & Managing Director



# Board of Directors

## BRIEF BIOGRAPHIES OF OUR DIRECTORS



**Mr. Naresh Kumar Bansal**, aged 61 years, is the Managing Director of the Company and is an entrepreneur with dynamic vision and sharp business acumen. He is a graduate in law and has been in the Industry of manufacturing of "Steel Tubes" for more than 30 years. He is well versed with the technical aspects of manufacturing of steel tubes and is competent enough to customize the production according to the requirements of the customers. He controls the entire production and dispatches of the company and oversees the production & planning departments of the Company. Apart from it, he is also overseeing the financial affairs of the Company and is responsible for the Financial Planning and fund-raising.

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

**Mr. Richi Bansal**, aged 35 years, is the Director of the company and is highly motivated and ambitious person. He did B. Sc (Hons.) in Management from Bradford University, U.K. and did his internship from a reputed company called BIE (Marketing & Advertising). He is thoroughly professional in approach and is overseeing the marketing department of the Company and is instrumental in taking the products of the Company to overseas markets. He is exploring new avenues to augment the turnover of the company. The Company expects its turnover to expand manifold under his able guidance and leadership.



**Richi Bansal**  
**Director**



**Shri Bharat Bhushan Sahny** is the Independent Non Executive Director of our Company. Shri Sahny had graduated in commerce from Sri Ram College of Commerce, Delhi. In 1962, he joined the stock broking business. He also held the position of Director on the Board of Delhi Stock Exchange for 27 years. He also held the position of Vice President and President in "DSE" and was instrumental in getting online Trading started in "Delhi Stock Exchange". During his tenure as "President" of Delhi Stock Exchange, the daily turnover touched record time high at Rs.1000 crores. He also held the position of Chairman of "Investors Awareness Committee" for many years and was instrumental in promoting investment culture in North India by conducting investor awareness seminars at multiple places.

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

**Mr. Rajendra Prasad Khanna**, aged 66 years, is a qualified Electrical Engineer and has a rich experience of more than 40 years in steel tubes industry in various companies at different levels. The Company believes that it will be able to immensely benefit from its rich experience in the steel tubes industry.



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



**Ms. Hannya Dhir**, aged 38 years, is a well qualified Management Consultant having obtained post graduate degree in Commerce. She joined M/s FINWIZ CAPITAL SERVICES PRIVATE LIMITED in the year 2007. She is well versed in the field of finance and management. She joined M/s RAMA STEEL TUBES on 30/03/2015 as Independent Director in the Board of Directors of the Company.

**Hannya Dhir**  
Non-Executive Independent Director

## **GLOBAL PRESENCE**



**Exports in UAE, UK, Europe, Middle East Africa**



# INFRASTRUCTURE



**REGISTERED OFFICE**

No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092.  
Telephone No.: 011-43656667, Fax No.:011-43656699

**WORKS**

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

## ***CORPORATE INFORMATION***

### **BOARD OF DIRECTORS**

Mr. Naresh Kumar Bansal - Chairman & Managing Director  
Mr. Richi Bansal - Director  
Mr. Bharat Bhushan Sahny – Independent Director  
Mr. Rajendra Prasad Khanna - Independent Director  
Ms. Hanny Dhir - Independent Director

### **COMPANY SECRETARY**

Mr. Kapil Datta

### **STATUTORY AUDITORS**

M/s VAPS & Co., New Delhi

### **SECRETARIAL AUDITORS**

M/s Arun Kumar Gupta & Associates, New Delhi

### **COST AUDITORS**

M/s S. Shekhar & Co., New Delhi

### **BANKERS**

Canara Bank  
Punjab National Bank  
HDFC Bank Limited

### **REGISTERED OFFICE**

No. 7, 1st Floor, Surya Niketan, Vikas Marg,  
New Delhi-110092.  
Telephone No.: 011-43656667,  
Fax No.:011-43656699

### **WORKS**

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

### **REGISTRAR AND SHARE TRANSFER**

#### **AGENT TO THE COMPANY**

Big Share Services Private Limited  
E-2&3, Ansa Industrial Estate, Saki-Vihar Road,  
Sakinaka, Andheri(E), Mumbai - 400 072.  
Telephone No.: 022-40430200, Fax No.: 022-28475207  
Email Id: ashok@bigshareonline.com



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**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, 2015.

**FINANCIAL RESULTS**

Particulars	(₹ In Lacs)	
	2014-15	2013-14
<b>Gross Turnover</b>	<b>19244.01</b>	18,134.93
<b>Other Income</b>	<b>238.54</b>	360.64
<b>Total Revenue</b>	<b>19482.55</b>	18,495.57
<b>Profit before Interest, Depreciation and tax</b>	<b>840.35</b>	878.01
<b>Financial Expenses</b>	<b>527.46</b>	456.45
<b>Depreciation</b>	<b>226.18</b>	177.43
<b>Profit before tax</b>	<b>86.71</b>	244.13
<b>Provision for taxation</b>	<b>18.06</b>	30.97
<b>Profit after tax</b>	<b>68.65</b>	213.16

**COMPANY'S PERFORMANCE**

Revenue from operations for the financial year 2014-15 at ₹19482.55 lacs, was higher by 5.34% over last year (₹ 18495.57 lacs in 2013-14). Earning before Interest, Tax and Depreciation was ₹ 840.35 lacs registering a decline of 4.28% over the Earning before Interest, Tax and Depreciation of ₹ 878.01 in 2013-14. The profit after tax (PAT) for the year was ₹ 68.65 lacs with a decline of 67.80% over the PAT of ₹ 213.16 in 2013-14.

**DIVIDEND**

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

**EQUITY SHARE CAPITAL**

The Company had issued and allotted 12,44,500 equity shares of ₹10/- each as Bonus shares. Consequently, the paid-up equity share capital has increased from ₹ 24,89,000/- as on March 31, 2014 to ₹1,49,34,000/- as on March 31, 2015.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

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

**SUBSIDIARY COMPANY**

During the financial year 2014-15, the company does not have any subsidiary company.

**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. The Company has accepted deposits pursuant to Section 58A of the Companies Act, 1956 read with the companies (Acceptance of Deposits) Rules, 1975 and all the principal amount along with interest thereon has been repaid. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Richi Bansal retires by rotation and being eligible has offered himself for re-appointment.

Pursuant to provisions of Section 203 of the Act, Mr. Kapil Datta was appointed as Company Secretary of the Company with effect from 1st September 2014.

Mr. Rajeev Kohli and Mr. Surender Kumar Sharma resigned from Board of the Company with effect from 18th November 2014.

Pursuant to provisions of Section 203 of the Act, Mr. Rajkumar Malik was appointed as Chief Financial Officer of the Company with effect from 18th November 2014.

Mr. Bharat Bhushan Sahny (DIN- 00014334) was appointed as Additional Director (Non-executive Independent) of the Company with effect from 18th November 2014 in accordance with the provisions under Sections 149 and 161 of the Companies Act, 2013.

Mr. Rajendra Prasad Khanna (DIN- 07015844) was appointed as Additional Director (Non-executive Independent) of the Company with effect from 18th November 2014 in accordance with the provisions under Sections 149 and 161 of the Companies Act, 2013.

Ms. Hannya Dhir (DIN- 01325752) was appointed as Additional Director (Non-executive Independent) of the Company with effect from 30th March 2015 in accordance with the provisions under Sections 149 and 161 of the Companies Act, 2013.



**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, 2015 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 and the Companies Act, 1956, to the extent applicable, 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, 2015, the Board consist of 5 members, two 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 Agreement 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**

Thirteen 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 32 to the 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.

**AUDIT COMMITTEE**

The details pertaining to composition off audit committee are included in the corporate governance report, which forms part of the directors' report.

**AUDITORS AND AUDITORS' REPORT****Statutory Auditors**

M/s. VAPS & COMPANY, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.



**Secretarial Auditors**

The Board has appointed M/s Arun Kumar Gupta & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure - III to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Cost Auditors**

The Board has appointed M/s. S. Shekhar & Co., Cost Accountants, for conducting the audit of cost records of the Company for Steel pipe Segment for the financial year 2014-15.

**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.

**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.fence-steeltubes.com](http://www.fence-steeltubes.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 2014-15.

**BOARD EVALUATION**

Pursuant to the Provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance and the Directors individually.

The manner of evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting held by Independent Directors.

The performance evaluation of Independent Directors was done by entire Board, excluding Directors being evaluated.

**PARTICULARS OF EMPLOYEES RELATED DISCLOSURES**

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 :

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

<b>Non-executive directors</b>	<b>Ratio to median remuneration</b>
Mr. Rajeev Kohli (Upto November 18, 2014)	N.A.
Mr. Surender Kumar Sharma (Upto November 18, 2014)	N.A.
Mr. Bharat Bhushan Sahny (From November 18, 2014)	N.A.
Mr. Rajendra Prasad Khanna (From November 18, 2014)	N.A.
Ms. Hannya Dhir (From March 30, 2015)	N.A.

<b>Executive Directors</b>	<b>Ratio to median remuneration</b>
Mr. Naresh Kumar Bansal	18.94
Mr. Richi Bansal	11.14



- b. 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. Rajeev Kohli (Upto November 18, 2014)	N.A.
Mr. Surender Kumar Sharma (Upto November 18, 2014)	N.A.
Mr. Bharat Bhushan Sahny (From November 18, 2014)	N.A.
Mr. Rajendra Prasad Khanna (From November 18, 2014)	N.A.
Ms. Hannya Dhir (From March 30, 2015)	N.A.
Mr. Naresh Kumar Bansal, Managing Director	NIL
Mr. Richi Bansal, Executive Director	NIL
Mr. Rajkumar Malik, Chief Financial Officer (w.e.f. November 18, 2014)	N.A.
Mr. Kapil Datta, Company Secretary (w.e.f. September 1, 2014)	N.A.

- c. The percentage increase in median remuneration of employees in the financial year : 24.05%

- d. The number of permanent employees on the rolls of Company : 118

- e. The explanation on the relationship between average increase in remuneration and Company performance :

The revenue growth during the fiscal 2015 over fiscal 2014 was 5.34% and net profit reduced to 4.28%. The aggregate remuneration of employees excluding directors grew by 3.46% over the previous fiscal.

- f. The comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of the key managerial personnel (KMP) in financial year 2014-15 (₹ in Lacs)	37.85
Revenue (₹ in Lacs)	19482.55
Remuneration of KMPs (as % of revenue)	0.19%
Profit before tax(PBT) (₹ in Lacs)	86.71
Remuneration of KMP (as % of PBT)	0.45%

- g. 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.

- h. 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.

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was 6.37%.

Increase in the managerial remuneration for the year was NIL.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. Naresh Kumar Bansal, Chairman & Managing Director	Mr. Richi Bansal, Executive Director	Mr. Rajkumar Malik, Chief financial Officer (w.e.f. November 18, 2014)	Mr. Kapil Datta, Company Secretary (w.e.f. September 1, 2014)
Remuneration in financial year 2014-15 (₹)	20.80	12.40	2.94	1.71
Revenue (₹)	19482.55			
Remuneration as % of revenue	0.107	0.064	0.0151	0.009
Profit before tax (PBT) (₹)	86.71			
Remuneration (as % of PBT)	23.99	14.30	3.39	1.97

k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

l. 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.

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

**A) CONSERVATION OF ENERGY :**

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

**B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :**

**I. RESEARCH AND DEVELOPMENT (R&D)**

- i. **Specific area in which R & D carried out by the Company :**  
There is no specific area in which the Company has carried the R & D. However, the Company is continuously making efforts for improvements in its production process for better productivity and cost efficiency.
- ii. **Future plan of action**  
The Company plans to monitor continuously the plant efficiency thus reducing the shortage and reducing the cost of production.
- iii. **Expenditure on R & D**  
The company did not incur any Expenditure on R & D.

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

- i. **Efforts made towards Technology Absorption :**  
For the goods manufactured by the Company there is a simple process of ERW manufacturing technique and the Company has already adopted the same and no innovations have been carried by the company, as there is no other available alternative that would ensure further cost efficiency.
- ii. **Particulars relating to imported technology :**  
The Company has not imported any technology and the plant is working with completely Indigenous Technical know-how.

**C) FOREIGN EXCHANGE EARNING AND OUTGO :**

	(Rs. In Lacs)	
	Current year	Previous year
a) Total Foreign Exchange Earning	7911.52	3472.39
b) Total Foreign Exchange Outgo	66.54	32.21



## FORM 'A'

## POWER AND FUEL CONSUMPTION :

	Current year	Previous year
1. Electricity		
(a) Purchased Unit	2974031	3104744
Total amount (in Rs.)	23435361	24380796
Rate/unit	7.88	7.85
(b) Own generation		
Through Diesel Generator Unit	362976	223992
Unit per Litre of Diesel Oil	4.56	4.59
Total Amount (in Rs.)	4088046	2660606
Cost/Unit	11.26	11.88
2. Furnace Gas Quantity(Sq.Cubic Mtr)	332539	249561
Total Amount (in Rs.)	15486194	11233310
Average Rate Rs./sq.cubic Mtr.	46.57	45.01

## CONSUMPTION PER UNIT OF PRODUCTION

NAME OF PRODUCT	UNIT	ELECTRICITY (UNIT)		FURNACE GAS (SQ. CUBIC MTR)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Black Steel Tubes/Pipes	Per Ton	74.73	77.74	--	--
alvd. Steel Tubes/Pipes	Per Ton	79.21	82.41	19.59	25.44

## 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)  
Managing Director

New Delhi  
September 4, 2015

## Annexure - I

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

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

## I. REGISTRATION &amp; 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	No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi – 110092 Contact No. 011-43656667, 43656668 FAX No.- 011-43656699 Email-Info@fence-steeltubes.com Website-www.fence-steeltubes.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and transfer Agent, if any	M/s. Bigshare Services Private Limited E2 Ansa Industrial Estate, Salkivihar Road, Sakinaka, Anderi(E), Mumbai-400072 Email-ashok@bigshareonline.com Phone No.-022-40430200 FAX No. -022-28475207



**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	100%

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

S. No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
--	NIL	--	--	--	--

**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 at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	184,050	184,050	73.95	1104300	0	1104300	73.95	0.00
b) Central Govt	0	0	0	0	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0	0	0	0	0.00	0.00
f) Any other	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A) (1):-	0	184,050	184,050	73.95	1104300	0	1104300	73.95	0.00
<b>(2) Foreign</b>									0.00
a) NRIs - Individuals	0	0	0	0	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0	0	0	0	0.00	0.00
Sub -total (A) (2):-	0	0	0	0	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>	<b>0</b>	<b>184,050</b>	<b>184,050</b>	<b>73.95</b>	<b>1104300</b>	<b>0</b>	<b>1104300</b>	<b>73.95</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0	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) FII's	0	0	0	0	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)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	53750	53750	21.60	192750	184350	377100	25.25	3.65
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	11100	11100	4.46	12000	0	12000	0.80	3.46
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0.00
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	0	64850	64850	26.05	204750	184350	389100	26.05	0.00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	64850	64850	26.05	204750	184350	389100	26.05	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Promoter and promoter group</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Public</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (C)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	0	248900	248900	100.00	1309050	184350	1493400	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 Shareholding
		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	108100	43.43	0.00	742800	49.74	0.00	6.31
2	Kumud Bansal	3000	1.21	0.00	54000	3.62	0.00	2.41
3	M/s Naresh Kumar & Sons (HUF)	3000	1.21	0.00	18000	1.21	0.00	0.00
4	Richi Bansal	9500	3.82	0.00	129300	8.66	0.00	4.84
5	Krati Bansal	5000	2.01	0.00	30000	2.01	0.00	0.00
6	Nikhil Naresh Bansal	7500	3.01	0.00	126600	8.48	0.00	5.47
7	M/s Harbans Lal (HUF)	15700	6.31	0.00	0	0.00	0.00	(6.31)
8	M/s Rakesh Kumar (HUF)	5000	2.01	0.00	0	0.00	0.00	(2.01)
9	M/s Ajay Kumar & Sons (HUF)	4550	1.83	0.00	0	0.00	0.00	(1.83)
10	Raj Kumar	3000	1.21	0.00	0	0.00	0.00	(1.21)



11	Ashok Kumar	3000	1.21	0.00	0	0.00	0.00	(1.21)
12	Rakesh Kumar Bansal	550	0.22	0.00	0	0.00	0.00	(0.22)
13	Ajay Kumar Bansal	12450	5.00	0.00	0	0.00	0.00	(5.00)
14	Taruna Bansal	3100	1.25	0.00	0	0.00	0.00	(1.25)
15	Praveen Bansal	100	0.04	0.00	0	0.00	0.00	(0.04)
16	Anish Bansal	100	0.04	0.00	0	0.00	0.00	(0.04)
17	Vipul Bansal	100	0.04	0.00	0	0.00	0.00	(0.04)
18	Sweta Bansal	100	0.04	0.00	0	0.00	0.00	(0.04)
19	Abhinav Bansal	100	0.04	0.00	0	0.00	0.00	(0.04)
20	Ridhi Bansal	100	0.04	0.00	0	0.00	0.00	(0.04)
21	Kanika Bansal	0	0	0.00	3600	0.24	0.00	0.24

\* % change during the year in bracket shows the decrease in shareholding.

**C) Change in Promoters' Shareholding**

S. No.	Name of Shareholder	Shareholding of the promoters		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Naresh Kumar Bansal</b>				
	At the beginning of the year	1,08,100	43.43	1,08,100	43.43
	Purchase during the year	15,700	6.31	1,23,800	49.74
	Bonus shares credited on September 12, 2014	6,19,000	-	7,42,800	49.74
	At the end of the year			7,42,800	49.74
<b>2</b>	<b>Kumud Bansal</b>				
	At the beginning of the year	3,000	1.21	3,000	1.21
	Purchase during the year	6,000	2.41	9,000	3.62
	Bonus shares credited on September 12, 2014	45,000	-	54,000	3.62
	At the end of the year			54,000	3.62
<b>3</b>	<b>Naresh Kumar &amp; Sons (HUF)</b>				
	At the beginning of the year	3,000	1.21	3,000	1.21
	Bonus shares credited on September 12, 2014	15,000	-	18,000	1.21
	At the end of the year			18,000	1.21
<b>4</b>	<b>Richi Bansal</b>				
	At the beginning of the year	9,500	3.82	9,500	3.82
	Purchase during the year	12,050	4.84	21,550	4.84
	Bonus shares credited on September 12, 2014	1,07,750	-	1,29,300	8.66
	At the end of the year			1,29,300	8.66
<b>5</b>	<b>Krati Bansal</b>				
	At the beginning of the year	5,000	2.01	5,000	2.01
	Bonus shares credited on September 12, 2014	25,000	-	30,000	2.01
	At the end of the year			30,000	2.01
<b>6</b>	<b>Nikhil Naresh Bansal</b>				
	At the beginning of the year	7,500	3.01	7,500	3.01
	Purchase during the year	13,600	5.46	21100	4.48
	Bonus shares credited on September 12, 2014	105500	-	126600	8.48
	At the end of the year			126600	8.48
<b>7</b>	<b>Kanika Bansal</b>				
	At the beginning of the year	0	0.00	0	0.00
	Purchase during the year	600	0.24	600	0.24
	Bonus shares credited on September 12, 2014	3,000	-	3,600	0.24
	At the end of the year			3,600	0.24

<b>8</b>	<b>Rakesh Kumar Bansal</b>				
	At the beginning of the year	550	0.22	550	0.22
	Sale during the year	550	(0.22)	0	0.00
	At the end of the year			0	0.00
<b>9</b>	<b>Ajay Kumar Bansal</b>				
	At the beginning of the year	12,450	5.00	12,450	5.00
	Sale during the year	12,450	(5.00)	0	0.00
	At the end of the year			0	0.00
<b>10</b>	<b>Harbans Lal (HUF)</b>				
	At the beginning of the year	15,700	6.31	15,700	6.31
	Sale during the year	15,700	(6.31)	0	0.00
	At the end of the year			0	0.00
<b>11</b>	<b>Taruna Bansal</b>				
	At the beginning of the year	3,100	1.25	3,100	1.25
	Sale during the year	3,100	(1.25)	0	0.00
	At the end of the year			0	0.00
<b>12</b>	<b>Praveen Bansal</b>				
	At the beginning of the year	100	0.04	100	0.04
	Sale during the year	100	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>13</b>	<b>Anish Bansal</b>				
	At the beginning of the year	100	0.04	100	0.04
	Sale during the year	100	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>14</b>	<b>Rakesh Kumar (HUF)</b>				
	At the beginning of the year	5,000	2.01	5,000	2.01
	Sale during the year	5,000	(2.01)	0	0.00
	At the end of the year			0	0.00
<b>15</b>	<b>Ajay Kumar &amp; Sons (HUF)</b>				
	At the beginning of the year	5,550	1.83	5,550	1.83
	Sale during the year	5,550	(1.83)	0	0.00
	At the end of the year			0	0.00
<b>16</b>	<b>Vipul Bansal</b>				
	At the beginning of the year	100	0.04	100	0.04
	Sale during the year	100	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>17</b>	<b>Raj Kumar</b>				
	At the beginning of the year	3,000	1.21	3,000	1.21
	Sale during the year	3,000	(1.21)	0	0.00
	At the end of the year			0	0.00
<b>18</b>	<b>Ashok Kumar</b>				
	At the beginning of the year	3,000	1.21	3,000	1.21
	Sale during the year	3,000	(1.21)	0	0.00
	At the end of the year			0	0.00
<b>19</b>	<b>Sweta Bansal</b>				
	At the beginning of the year	100	0.04	100	0.04
	Sale during the year	100	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>20</b>	<b>Abhinav Bansal</b>				
	At the beginning of the year	100	0.04	100	0.04
	Sale during the year	100	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>21</b>	<b>Ridhi Bansal</b>				
	At the beginning of the year	100	0.04	100	0.04
	Sale during the year	100	(0.04)	0	0.00
	At the end of the year			0	0.00

Note : The total number of shares has increased due to issuance of bonus shares in September 2014 in the ratio 1:5 (for every one share, 5 shares were allotted)



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

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total shares of the company
1	MANOJ GUPTA	2000	0.80	10000	-	12000	0.80
2	RISHAV GARG	1300	0.52	6500	-	7800	0.52
3	MANJU GARG	1200	0.48	6000	-	7200	0.48
4	ASHISH BANSAL	1200	0.48	6000	-	7200	0.48
5	SUNIL JAIN HUF	1100	0.44	5500	-	6600	0.44
6	RAKESH GUPTA	1050	0.42	5250	-	6300	0.42
7	RUCHI JAIN	1050	0.42	5250	-	6300	0.42
8	SUNIL JAIN	1025	0.41	5125	-	6150	0.41
9	VAIBHAV SINGHAL	1000	0.40	5000	-	6000	0.40
10	ANKIT SINGHAL	1000	0.40	5000	-	6000	0.40

Note: Top ten shareholders of the Company as on March 31, 2015 has been considered for the above disclosure.

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

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Naresh Kumar Bansal</b>				
	At the beginning of the year	1,08,100	43.43	1,08,100	43.43
	Purchase on	15,700	6.31	1,23,800	49.74
	Bonus shares credited on September 12, 2014	6,19,000	-	7,42,800	49.74
	At the end of the year			7,42,800	49.74
<b>2</b>	<b>Richi Bansal</b>				
	At the beginning of the year	9,500	3.82	9,500	3.82
	Purchase on	12,050	4.84	21,550	4.84
	Bonus shares credited on September 12, 2014	1,07,750	-	1,29,300	8.66
	At the end of the year			1,29,300	8.66

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3370.38	391.14	184.59	3946.11
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	15.48	15.48
<b>Total (i+ii+iii)</b>	<b>3370.80</b>	<b>391.14</b>	<b>200.07</b>	<b>3961.59</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2415.87	NIL	NIL	2415.87
* Reduction	(413.44)	(200.07)	(200.07)	(903.12)
Net Change	2002.43	(200.07)	(200.07)	1512.75
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5372.81	101.53	NIL	5474.34
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>5372.81</b>	<b>101.53</b>	<b>NIL</b>	<b>5474.34</b>

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

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

(₹ in Lacs)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	Name of Other Executive Director	Total Amount
		<b>Mr. Naresh Kumar Bansal, MD</b>		<b>Mr. Richi Bansal, Director</b>	
1	Gross salary	20.40	20.40	12.00	12.00
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.40	0.40	0.40	0.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>Total (A)</b>	<b>20.80</b>	<b>20.80</b>	<b>12.40</b>	<b>12.40</b>
	<b>Ceiling as per the Act</b>	The Managerial Remuneration is within the limit, as prescribed under the Companies Act, 2013.			

\* The Company does not have WTD/Manager.

**B. Remuneration to other directors**

(₹ in Lacs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Bharat Bhushan Sahny*	Mr. Rajendra Prasad Khanna*	Mr. Rajeev Kohli#	Mr. Surender Kumar Sharma#	Ms. Hannya Dhir^	
1	<b>Independent Directors</b>						
	Fee for attending board committee meetings	0.10	0.10	--	--	--	0.20
	Remuneration by way of Commission	--	--	--	--	--	--
	Others, please specify						--
	<b>Total (1)</b>	<b>0.10</b>	<b>0.10</b>				<b>0.20</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings		--			--	--
	Commission		--			--	--
	Others, please specify		--			--	--
	<b>Total (2)</b>						
	<b>Total (B)=(1+2)</b>						<b>0.20</b>
	<b>Total Managerial Remuneration Total=(A+B)</b>						<b>33.40</b>

\* Appointed in the Board w.e.f. November 18, 2014

# Resigned from the Board w.e.f. November 18, 2014

^ Appointed in the Board w.e.f. March 30, 2015



**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	1.71	2.94	4.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	1.71	2.94	4.65

\*Appointed as Company Secretary w.e.f. September 01, 2014

# Appointed as Chief Financial Officer w.e.f. November 18, 2014

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

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

## Annexure – II

## 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.**

(\*As defined under Clause 49 of the Listing Agreement, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.)

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)  
Managing Director

New Delhi  
September 4, 2015



**FORM No. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

**(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  
No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092

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

Based on our verification of the **Rama Steel Tubes Limited** 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, 2015** 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, 2015 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(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:

- (a) The Companies Act, 1956 and the rules made there under (to the extent applicable);
- (b) Income Tax Act, 1961;
- (c) Central & State Excise Law/Service Tax.
- (d) Central & State Sales Tax Law/VAT.
- (e) Factories Act, 1948
- (f) The Environment (Protection) Act, 1986
- (g) The Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008
- (h) The Water (Prevention & Control of Pollution) Act, 1974
- (i) The Air (Prevention & Control of Pollution) Act, 1981 Read With The Air (Prevention & Control Of Pollution) Rules, 1982
- (j) Employees Provident Fund and (Misc. Provisions) Act, 1952
- (k) Payment of Wages Act, 1936
- (l) Payment of Gratuity Act, 1972
- (m) Payment of Bonus Act, 1965
- (n) Workmen Compensation Act, 1923

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable to the Company during the Audit Period)**
- (ii) The Listing Agreements entered into by the Company with Delhi Stock Exchange of India Limited.

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

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

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

Adequate notice(s) of at least seven days is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 Extra Ordinary General meeting in respect of following matters:

- i. Increase in Authorized Share Capital and Alteration of Capital Clause of Memorandum of Association
- ii. Issue of Bonus Shares by the Company

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

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

Place : Delhi  
Date : August 25, 2015

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.



**Annexure-A**

**This report is to be read with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.**

To,  
The Members,  
**RAMA STEEL TUBES LIMITED**  
No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi 110092

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report should not be considered as an assurance regarding the future viability of the company.

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

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

Place : Delhi  
Date : August 25, 2015

## ***Management Discussion and Analysis***

### **CAUTIONARY STATEMENT**

Statements made in this report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may 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.

### **OVERVIEW**

The following operating and financial review is intended to convey the management's perspective on the financial and operating performance of the Company at the end of Financial Year 2014-15. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. The Company's financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India.

### **GLOBAL ECONOMIC SCENARIO**

The world economic growth remained modest at 3.4% in CY2014 amidst divergent growth trend in advanced and emerging economies. While the developed economies led by the US & UK continued to strengthen the growth in most emerging economies slowed down during the year. Many oil exporting economies were under stress due to a sharp drop in oil prices. Despite their slower growth, emerging markets and developing economies still accounted for three-fourths of global growth in CY 2014. The world economy continued to face risks related to geopolitical tensions, disruptive asset price shifts in financial markets, and stagnation/deflation in advanced economies during CY2014.

The world economic growth in CY2015 is likely to see moderate improvement. The improvement is expected to be driven mainly by the advanced economies rather than by emerging markets and developing economies. During CY2014 slowing demand in some of the major developing economies led to the softening in crude and other global commodity prices. Though the price correction created financial stress in oil exporting countries and also resulted in disinflationary environment in many oil importing economies, it is expected to be a net positive to world economy in the short to medium term – especially for oil/commodity importing economies like India.

### **INDIAN SCENARIO**

The Indian economy, supported by lower oil prices, improved FDI inflows and pro-growth economic reforms initiated by new Government saw a moderate improvement in growth momentum during FY15; some of the key macroeconomic indicators also strengthened over the year. The Indian economic growth improved to 7.3% in FY15 as compared to 6.9% in FY14. Several policy measures taken by the Reserve Bank of India (RBI) and the Government, supported by lower global crude oil prices, resulted in decline in inflation during the year; consumer price inflation is expected to be between 5.0-5.5% range during FY16. The Current Account Deficit (CAD) narrowed to 1.3% of GDP during FY15 compared to 1.7% in FY14. The Government had strong focus on fiscal consolidation and as a result, the Gross Fiscal Deficit (GFD) declined to 4.1% in FY15 and is budgeted to decline further to 3.9% in FY16.

The Government in order to enhance is of doing business and attract new investment, took several policies measures. These includes hiking the foreign direct investment limits in defense, Railways and Insurance, labour reforms, transparent and faster environment clearances, transparent auction-based natural resources allocation policy and rationalization/simplification of tax regime. The other important reform measures taken by the new Government such as deregulation of diesel and petrol prices, direct transfer of subsidies and initiatives for employment growth ("Make in India, Skill India and Digital India" campaigns) are the steps taken to create a framework for sustainable growth.

### **STEEL INDUSTRY IN INDIA**

In 2014, India retained its position as the 4th largest steel producing country in the world, behind China, Japan and the USA. The crude steel production grew by 2.3% to 83.2 million tonnes, while steel demand grew by 2.2% to 75.3 million tonnes. The Indian GDP growth expanded to 7.3% in 2014 due to improving economic sentiments post the election of a new government. However, demand at the grass root level remained stagnant and is only expected to pick up from 2015. Consequently, steel demand grew at 2.2% in the year, though the domestic steel industry suffered due to the influx of cheap imported products, especially from China. This led to India becoming a net importer of steel in the year. Indian GDP is likely to grow at a rate higher than 7.5% in 2015, while steel demand is expected to grow by 6.2% in the year.



## STEEL TUBES INDUSTRY

Dynamics of the steel pipes and tubes industry are closely intertwined with the trends in the construction and oil and gas industries and also influenced by the pace of infrastructure development projects. As a result, economic development and industrialization are primary growth drivers for the global steel pipes and tubes market. The steel and non-ferrous pipes and tubes market witnessed a sharp decline in demand during the recession. Steel pipe industry, which is largely dependent on the spending in sectors such as natural gas exploration, non-residential and residential construction, consumer goods manufacture, highway spending and agricultural spending, witnessed downward trend due to the weakening economic conditions. The decline was evident across various sectors of the steel industry including tubular steel, stainless steel, substrate metal, and steel tubes. With the global economy on a recovery mode, the demand for steel pipes and tubes is expected to grow led by increased demand from various end-user sectors, specifically from emerging markets.

Asia-Pacific and Europe account for a lion's share of the global demand for steel pipes and tubes. Asia-Pacific and Latin America are among the fastest growing markets for steel pipes and tubes due to high economic growth and increased activity in various end user sectors including oil, power, and refineries. Robust growth in Asian countries such as India and China is driven by large population base, and the enormous investments being made into large-scale infrastructure investments. Increasing energy needs, and intensifying activity in the construction and power plant sectors are also expected to drive the development of the steel pipe industry in the region.

The increasing energy security investments of global governments particularly from developing regions are likely to generate steady demand for steel pipes. In developed countries, growth opportunities are anticipated due to the need for replacement of existing pipeline systems that are more than 25 years old. Rapidly expanding population, improving standards of living, and steady economic growth are expected to significantly enhance the demand for various forms of energy including oil and gas.

India is among the fastest growing steel tubes and pipe manufacturers in the world with production estimated at about 10 million tonnes a year. Over the years, India has emerged as the global pipe manufacturing hub due to lower costs, superior quality and geographical advantages. The Indian steel pipes industry, comprising seamless, SAW and ERW pipes, addressed a vast global and domestic opportunity, as a result of which this industry aggressively expanded capacity. Our Company operates in ERW Steel Tubes segment and over a period of time we have emerged as consistent manufacturer on the strength of our high quality standards and ability to customize products as per specific customer requirements. The sectors in which we are present are considerably under-served in India and other parts of the emerging world. But with more government focus and investments, there are reasons for optimism. This reality creates significant headroom for growth and drives our ambition to become a major core sector player, nationally and internationally. **The management of the Company recognizes the following as key growth drivers among others :**

**Urbanisation:** Urban India contributes to around 63% to India's GDP, which is expected to rise to 75% by 2030-31. About 31% of India's population is estimated to be living in urban areas; this proportion is likely to rise to 49% by 2031, creating increased real estate demand and indirectly for steel pipes demand. In the 12th Plan, the monitorable targets for infrastructure include:

- Increase investment in infrastructure as a percentage of GDP to 9% by the end of Twelfth Five Year Plan.
- Increase the gross irrigated area from 90 mn hectare to 103 mn hectare by the end of 12th Five Year Plan.
- Provide electricity to all villages and reduce AT&C losses to 20% by the end of Twelfth Five Year Plan.
- Ensure 50% of rural population has access to 40 lpcd piped drinking water supply

**Power:** Oil and gas sector: India will have a natural gas pipeline grid running for 30,000 kms connecting consumption centres to fuel sources by 2017, according to the Cabinet Ministers of Petroleum and Gas. Out of these 30,000 km, it includes 12,000 km of gas pipelines and another 12,000 km of oil pipelines to be constructed. Keeping these realities in mind, there are attractive opportunities for the pipes and tubes industry.

**Aviation sector:** With rising income levels, passenger air traffic is expected to increase considerably by 2020. According to the Economic Survey 2010-11, India will be one of the fastest growing civil aviation markets in the world by 2020 with a passenger load of 420 mn in the Indian airport system as compared to 140 mn in 2010. An investment of additional 0.7 percentage point of GDP is required in the infrastructure by 2017. These will be further aided by substantial investments in development of airports in tier-II cities as well as improvement of infrastructure in existing airports. India is likely to become the third largest aviation market by 2020, handling 336 million domestic and 85 million international passengers with a projected investment to the tune of US\$ 120 billion. The government targets to invest US\$ 30 billion in the next decade to modernise existing airports and add 16 greenfield airports.

**Ports and shipping sector:** India's port sector is in a rapid expansion mode. There are currently 187 minor and 13 major ports in India, with aggregate capacity close to 1 billion TPA. The National Maritime Agenda aims to create port capacity of 3.2 billion tonnes per annum by 2020, which is more than three-fold increase over the prevailing capacity.

**Housing for all by 2022 :** Union Government has announced in the Union Budget of 2015 that everyone would get Houses by 2022 besides various incentives to buy and build homes, government also setup a Mission on Low Cost Affordable Housing in National Housing Bank this 'll surely result in huge demand for Steel Tubes Industry.



**Surface Transportation :** With a growing population in India, demand for road transport would increase further by 2020. While state highways are expected to link most districts in the country, all-weather rural roads are expected to provide access to the furthest outlying villages. Moreover, construction of the golden quadrilateral, Delhi-Mumbai-Chennai-Kolkata-Delhi, is expected to help link these metros and other northern, southern, western and eastern cities by 2020. Ministry of Road Transport and Highway's decision to accelerate implementation of National Highways to achieve a completion rate of 20 kms of highways/day will require substantial investment in road infrastructure. This translates to a 35,000 km at the rate of 7,000 km per year during 2009-14 ensuring greater demand for steel tube products.

**Sanitization :** Swatchh Bharat Abhiyaan is the main motive of the Government i.e. need for sanitations in all houses. The Government is providing with the resources and requested everyone to co-operate equally. 20,000 habitations affected with arsenic, fluoride, heavy/ toxic elements, pesticides/fertilizers to be provided safe drinking water through community water purification plants in next 3 years . Government is planning that "Swatchh Bharat Abhiyan" to cover every household with sanitation facility by the year 2019

**Solar and renewable energy:** Several initiatives have been announced to gear up these sectors. Government proposed to take up Ultra Mega Solar Power Projects in several places like Rajasthan, Gujarat and Tamil Nadu. Rs 500 crore was allocated for this sector in Union Budget 2015. There are several schemes which are being added up to gear and transform this sector. As per one estimate this sector entails ~Rs.10,000 Crore capital expenditures in near future paving way for great opportunity for steel tubes industry.

In addition to these Company ll get benefitted from various schemes and programs initiated under 'Make in India', '100 Smart Cities', 'Metro & Mono Rails', 'Bullet Trains corridors' etc.

### Performance of your Company

Our gross sales for the financial ended March 31, 2015 crossed the psychological mark of Rs. 200 Crore even though metal prices dropped significantly in line with the global pricing scenario. While the Company continued to focus on maximizing the domestic opportunities, it also strengthened its presence in the select overseas markets amidst strong competitive pressures and a result our export sales also registered a good growth, during the current fiscal we exported 16,325MT quantity majorly to UK, other European Countries, UAE, Middle East and Africa amounting Rs. 79.15 Crore, against the previous year's export quantity of 6679MT amounting Rs. 34.72 Crore, a growth of 145% in quantity terms and 128% in value term. We are a recognized 'Star Export House' and recipient of various EEPC India awards conferred in recognition of our export excellence.

Our Net Revenues stood at 194.82 Crores as compared to 181.34 Crores previous year registered a growth of 5.34% whereas the total quantity sold during the current fiscal is 5.21% more (this year we sold 44627.92MT materials as compared to 42418.66 MT during the previous year). However, due to rising cost of production, and overheads our EBIDTA for the year stood at Rs. 8.40 Crores as compared to Rs. 8.78 Crores for the financial year ended March 31, 2014.

### Leap Forward

CARE Research expects the demand for Indian pipe industry to improve from FY14 and remain healthy over the longer term, in the global and domestic markets, on the back of increasing demand arising from oil & gas and infrastructure projects. Enhanced global energy demand arising from increasing population and economic spending in the emerging markets will lead to need for higher exploration and production (E&P) activity, strengthening demand for steel pipes. Shale gas discovery is likely to increase the global demand for pipeline infrastructure.

With a new robust government at the centre, India will look to recover the time and opportunities lost in the past few years. Certain areas has already been identified as a major bottle-neck area by the new government and huge investments are on the horizon with substantial private sector participation. In collaboration various governments and their agencies are aggressively announcing various initiatives for strong and robust economic developments such urbanization, sanitization, smart cities schemes, rapid transportation systems for better connectivity, metros, railways and aviation schemes etc. Furthermore, with the increasing per-capita disposable income steel, pipes, structures consumption is increasing day by day.

Consequent to all these developments rapid urbanization and accelerating industrialization will drive the demand for more steel tubes and hollow sections. Besides, there is need for accelerated capacity additions to achieve the 'Make in India' initiative of Government of India. Rama Steel Tubes Limited, is attractively poised to grow, as a long-term plan, we have already initiated certain strategic initiatives to expand the manufacturing capacities and strengthen supply chain capabilities; extend our brand presence across India with qualitative products-delivered in time-with an asset-light model; grow presence in international markets, venture into synergic products, platforms and opportunities.

### Risk Management

Risk governance, at Rama Steel Tubes, is not an isolated commercial response to external contingencies, but a strategic management response comprising foresight, professionalism and accountability.



**Industry risk**

Risk explanation : An economic slowdown might stagger infrastructure development in user industries and adversely affect the Company's business and earnings.

**Risk mitigation :**

- The Indian economy is expected to sustain 7-8% growth over the foreseeable future, driving growth in the Company's user industries.
- The Company's product diversity straddles the construction, sugar, oil and gas, power, chemical, agricultural equipment and automobile industries, an effective de-risking against an over-dependence in any particular industry.
- The Company derived 39% of its revenues from exports, reducing its dependence on the domestic market.

**Competition risk**

Risk explanation : The rapid growth of the Indian economy and the huge domestic pipe demand might attract competition.

**Risk mitigation :**

- Despite stiff competition, the Company expects to protect its profitability through excellence in product quality, rich domain experience and accelerated delivery. Besides, it is one of the few companies manufacturing more than 150 pipe varieties.
- The Company entered into strategic alliances with reputed international entities to benefit from their know-how, engineering insights and project management skills.
- It was the only company in India to manufacture pre-galvanised tubes in organised sector

**Raw material risk**

Risk explanation : The unavailability of quality raw materials might jeopardise the Company's production. Besides, an inability to pass on raw material cost increases could affect margins.

**Risk mitigation**

- The Company maintains a minimum raw material inventory of 30 days as a preventive measure against volatility in raw material prices, including steel.
- The Company ensures optimum utilisation and effective raw materials management through a coordinated procedure.
- Most of the contracts signed by the Company enjoyed an input cost escalation clause as an effective hedge against input cost increases.

**People risk**

Risk explanation : People attrition can stymie organizational growth.

Risk mitigation : The Company's three-pronged strategy in people recruitment, development and retention comprised the following:

- The Company recruited locals
- The Company developed functional and behavioural skills through training.
- The Company reviewed remuneration to enhance motivational levels

**Quality risk**

Risk explanation : The Company's failure to maintain quality excellence can trigger client attrition.

**Risk mitigation :**

- The Company adopted the online non-destructive testing system, which made real time error detection a reality.
- The Company adhered to the quality-control norms laid down by the Bureau of Indian Standards
- It received the ISO 9001:2000 certification.

**Technology obsolescence risk**

Risk explanation : The Company's dependence on obsolete technology can erode market share and profitability.

**Risk mitigation**

- The Company initiated investing in a highly sophisticated Japanese technology to enrich product quality and diversity.
- The Company's in-house R&D division focused on the development of technologically innovative products

**Margins risk**

Risk explanation : Pipe-manufacturing is a low-margin and volume-driven business. Margins may decline further.

**Risk mitigation**

- At Rama Steel Tubes, the Company is consolidating its presence in niche and value-added segments (pre-galvanised and hollow section tubes).
- The Company is extending its presence across the entire value chain by strengthening its forward and backward integration initiatives.

**Funding risk**

Risk explanation : Following a strong pipe demand across varied industries, the Company is planning huge investments to set up new manufacturing facilities and increase capacities in existing ones. Any delay in funds mobilization could delay project implementation.

**Risk mitigation :**

- The Company has adequate funding tie-ups with its bankers.
- The Company strengthened its net worth from Rs 2003.54 Lacs in 2013-14 to Rs 2069.78 Lacs in 2014-15, which enhanced its borrowing room.

**Debtors' risk**

Risk impact : The Company's debtors might default or delay, straining working capital management.

**Risk mitigation**

- The Company's debtors' appraisal system effectively evaluated the credit-worthiness of prospective customers.
- The Company conducted business through letters of credit with unfamiliar customers.

**Environment management**

The Company's stringent environment policy complies with the directives issued by the Government of India, State Governments and Pollution Control Boards. The Company's waste management initiatives include welding waste (end cuttings of steel tubes) which is sold as scrap to mini-steel mills, where they are combined with molten steel for producing lower grade steel varieties.

Besides, blowing ash, generated from galvanising zinc, is processed and oxides are separated from zinc powder and marketed to brass manufacturers. Appropriate measures for environment protection are taken by adopting the best available technology and implementing a pollution control infrastructure to achieve discharge and emissions within the statutory limits.

**Cost control**

The Company realised that effective cost control can lead to an improved operational and financial performance. It has started exploring the avenues to control costs so as to achieve better results. A comprehensive study was conducted by the Company to identify 'cost centres'. The Company adopted the 'responsibility accounting' approach by defining each process, manufacturing lines, department, unit and invoice generation centre as a separate responsibility centre, which facilitated intra-group comparisons and identifying the factors responsible for variances.

**INTERNAL CONTROL SYSTEMS**

In Rama Steel Tubes, the Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and are functioning effectively. The Company has policies, procedures, control frameworks and management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

Internal Financial Controls that encompass the policies, processes and monitoring systems for assessing and mitigating operational, financial and compliance risks and controls over related party transactions, substantially exist. The senior management reviews and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and Company's policies for which they are responsible and also the compliance to established procedures relating to financial or commercial transactions, where they have a personal interest or potential conflict of interest, if any.

The Company's institutionalised internal control procedures encompass financial and operating functions. It provided proper accounting control, monitoring operational efficiency and general economic trends, while protecting assets from unauthorised use or losses, and ensured reliability of financial and operational information. This facilitated the detection of fraud and irregularities. Internal control was designed to ensure that records - financial or others - remained reliable for preparing financial statements and maintaining the accountability of assets.

The Audit Committee, comprising Independent Directors from the Board, reviewed plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards.

**STATUTORY COMPLIANCE**

The Managing Director/Executive Director make a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from all the departments of the Company. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement, other statutory guidelines on insider trading for prevention of the same.



## ***CORPORATE GOVERNANCE REPORT***

### **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 Securities and Exchange Board of India (SEBI) amended the Listing Agreement effective October 1, 2014, to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders.

The amended rules required companies to get shareholders' approval for related party transactions, establish whistleblower mechanisms, elaborate disclosures on pay packages and have at least one woman director on their boards. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to 'adopt best practices on 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**

A majority of the Board, 3 out of 5, are Independent Directors. 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.

### **Best Corporate Governance Practices**

RAMA maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- The Company has a designated Lead Independent Director with a defined role.
- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders' Relationship Committee of Directors.
- The Company has independent Board Committees for matters related to Corporate Governance and stakeholders' interface and nomination of Board members.

### **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.

**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
Independent Directors	Mr. Richi Bansal
	Mr. Bharat Bhushan Sahny
	Mr. Rajendra Prasad Khanna
	Ms. Hannya Dhir

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.

**Selection of new directors**

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the nomination and remuneration committee. The nomination and remuneration committee in turn makes recommendations to the Board on the induction of any new directors.

**Code of Conduct**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put on the Company's website ([www.fence-steel tubes.com](http://www.fence-steel tubes.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Company's Chairman and Managing Director is published in this Report.

**MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES OF BOARD****Number of Board meetings held with dates**

Thirteen 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
02-Apr-14	4	4
30-Apr-14	4	3
17-Jul-14	4	3
31-Jul-14	4	4
06-Aug-14	4	4
18-Aug-14	4	3
01-Sep-14	4	4
12-Sep-14	4	4
31-Oct-14	4	3
18-Nov-14	4	4
06-Jan-15	4	3
12-Feb-15	4	3
30-Mar-15	4	3



**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 2014-15	Attendance at the AGM during 2014-15	No. of Other Directorship(s) on 31-03-2015	No. of Membership(s) / Chairmanship in other Companies as on 31-03-2015
Naresh Kumar Bansal	13	YES	3	0
Richi Bansal	13	YES	2	0
Rajeev Kohli*	10	YES	1	0
Surender Kumar Sharma*	6	YES	0	0
Bharat Bhushan Sahny#	0	N.A.	2	1
Rajendra Prasad Khanna#	3	N.A.	0	0
Hannya Dhir^	0	N.A.	4	0

\* Ceased to be a Director w.e.f. November 18, 2014

#Appointed as Director w.e.f. November 18, 2014

^ Appointed as Director w.e.f. March 30, 2015

**Board Committees**

Currently, the Board has three committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

**1. Audit Committee**

Our audit committee ('the committee') comprised four Directors as on March 31, 2015 :

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

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

**Role of the Audit Committee:**

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act.
  - 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."

## **2. 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, 2015 :

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

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholder Relationships Committee include the following:

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

## **3. Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee ('the committee') comprised Four directors as on March 31, 2015 :

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

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, p e r q u i s i t e s , 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;



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

Board Committees	Audit Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee
<b>Meeting Held</b>	4	4	4
<b>Directors' Attendance</b>			
Naresh Kumar Bansal	4	N.A.	N.A.
Richi Bansal	N.A.	4	4
Rajeev Kohli*	3	3	3
Surendra Kumar Sharma*	3	3	3
Bharat Bhushan Sahny^	1	1	1
Rajendra Prasad Khanna^	1	1	1
Hannya Dhir#	0	0	0

\*Ceased to be Member of Committees of Board w.e.f. November 18, 2014. 3 meetings were held during their tenure.

^Appointed in the Committee of Board w.e.f. November 18, 2014

#Appointed in the Committee of Board w.e.f. March 30, 2015

**SUBSIDIARY COMPANY**

The Company does not have any subsidiary company as on 31.03.2015

**GENERAL BODY MEETINGS**

**Annual General Meeting**

During the preceding three years, the Company's Annual General Meetings were held at 15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002.

The date and time of the Annual General Meetings held during last three years, are as follows :

Year	Date	Day	Time
2013-14	September 27, 2014	Saturday	11.30 a.m.
2012-13	September 28, 2013	Saturday	11.00 a.m.
2011-12	September 29, 2012	Saturday	11.00 a.m.

No special resolution was passed in any of the last three AGMs.

**Extra-ordinary General Meeting**

Extra-ordinary General Meeting of the members of the RAMA was held on Saturday, August 30, 2014 at 11:30 a.m. at 15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002 and Special resolution(s) passed for :

- Increase in Authorized Share Capital and Alteration of Memorandum of Association
- Issue of Bonus Shares by the Company

**POSTAL BALLOT**

No resolution was passed through postal ballot during last 3 financial years ended on March 31, 2013, March 31, 2014 and March 31, 2015.

**WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower Policy under which employees are free to report violations of applicable laws and regulations and code of conduct.

**MEANS OF COMMUNICATION**

**Quarterly/half-yearly/annual results:** The quarterly, half-yearly and annual results of the Company are published in "Financial Express" and "Jansatta". The results are displayed on the Company's website "www.fence-steeltubes.com".

**Website:** The Company's website (www.fence-steeltubes.com) contains a separate dedicated section "Investor Desk".

**Annual Report:** The annual report containing, inter alia, Audited Financial Statements, Directors' Report, Auditors' Report and other

important information is circulated to members and other entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and are displayed on the Company's Website.

**SEBI Complaint Redress System (SCORES):** The investors complaints are processed in a centralized web-based complaint redress system.

## DISCLOSURES

### a) Related Party transactions

All material transactions entered into with related parties as defined under the Act and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2012-13, 2013-14 and 2014-15 respectively: NIL

c) 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 the following link -

<http://www.fence-steeltubes.com/code-of-conduct.html>

d) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

- i. Half-yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2014 was sent to every member in October 2014 at their registered address.
- ii. The statutory financial statements of the Company are unqualified.
- iii. Mr. Rajkumar Malik, the internal auditors of the Company, make presentations to the audit committee on their reports.

### e) Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### f) Code of Conduct:

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2015. The Annual Report of the Company contains a Certificate by the CEO and Managing Director in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

## GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Date : September 29, 2015  
Time : 11:30 a.m.  
Venue : No. 7, 1<sup>st</sup> Floor, Surya Niketan, Vikas Marg, New Delhi – 110092

As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchange, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 29, 2015

ii. Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March every year

iii. Date of book closure / record date : As mentioned in the Notice of the AGM to be held on September 29, 2015

iv. Listing on stock exchanges : Company is listed on National Stock Exchange of India Limited (NSE Limited) w.e.f. August 19, 2015 and on BSE Limited w.e.f. September 1, 2015 and was listed on Delhi Stock Exchange Limited



- v. Stock Code (EQUITY SHARES) : Trading Symbol -NSE Limited – RAMASTEELS  
 Listing fees as applicable have been paid. : Trading Symbol –BSE Limited – 539309  
 : Annual Listing fees for the financial year 2015-2016 have been duly paid to all the above Stock Exchange
- vi. ISIN number of NSDL/CDSL : INE230R01019
- vii. Corporate identity number (CIN) of the company : L27201DL1974PLC007114
- viii. Registered office : No. 7, 1<sup>st</sup> Floor, Surya Niketan, Vikas Marg, New Delhi – 110092 w.e.f. February 12, 2015 (earlier- 15/1, 2nd Floor, Asaf Ali Road, New Delhi-110002)
- ix. Registrar & transfer agent:  
 Name & address : Bigshare Services Private Limited  
 E2, Ansa Industrial Estate, Salkivihar Road, Sakinaka, Anderi(E), Mumbai-400072
- Telephone : 022-40430200  
 Fax : 022-28475207  
 Email : ashok@bigshareonline.com
- Delhi Branch Address : Bigshare Services Private Limited  
 4E/8, First Floor, Jhandewalan Extension, New Delhi-110055
- Telephone : 011-23522373  
 Fax : 011-23522373  
 Email : bssdelhi@bigshareonline.com
- x. Share transfer system :  
 87.57% 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 any of the above mentioned addresses.

**xi. SHAREHOLDING PATTERN AS ON 31st MARCH, 2015**

a) Categories of Equity Shareholding as on March 31, 2015

Category Code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	7	1104300	73.95
(2)	Foreign	-	-	-
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	-	-	-
(2)	Non- Institutions	528	389100	26.05
	<b>TOTAL (A) + (B)</b>	<b>535</b>	<b>1493400</b>	<b>100.00</b>

b) Distribution of Equity Shareholding as on March 31, 2015

Category (Shares)	Number of Shareholders	% to Total Shareholders	No. of Shares	% of Total Shares
1-500	473	88.41%	141900	9.50%
501-1000	14	2.62%	8550	0.57%
1001-2000	0	-	0	-
2001-3000	2	0.37%	6000	0.41%
3001-4000	2	0.37%	6900	0.46%
4001-5000	7	1.31%	33600	2.25%
5001-10000	30	5.61%	183750	12.30%
10001 and above	7	1.31%	1112700	74.51%
<b>G. TOTAL</b>	<b>535</b>	<b>100.00</b>	<b>1493400</b>	<b>100.00</b>

## DEMATERIALISATION OF EQUITY SHARES

Mode of Holding	Percentage (%)
NSDL	28.76
CDSL	58.90
Physical	12.34
<b>TOTAL</b>	<b>100.00</b>

87.66% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2015.

## 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 2014-15.

Sd/  
(Naresh Kumar Bansal)  
Managing Director

New Delhi  
September 4, 2015

**CEO / CFO CERTIFICATION UNDER CLAUSE 49 (IX)**

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, 2015 and to the best of our knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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:

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

Sd/-  
Rajkumar Malik  
Chief Financial Officer

Sd/-  
Naresh Kumar Bansal  
Managing Director

New Delhi  
September 4, 2015



## ***CERTIFICATION ON CORPORATE GOVERNANCE***

To the Members  
Rama Steel Tubes Limited

We have examined the compliance of conditions of corporate governance by M/s Rama Steel Tubes Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with The Delhi Stock Exchange Limited.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to explanation given to us we certify that the Company has complied with the conditions of corporate governance as stipulated in the above Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s VAPS & Company  
Chartered Accountants  
Firm Registration No.: 003612N**

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

**New Delhi  
September 4, 2015**



## ***Independent Auditors' Report***

To  
The Members,  
Rama Steel Tubes Limited,  
Delhi.

1. We have audited the accompanying financial statements of M/s Rama Steel Tubes Limited which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, subject to the note no. 11 where we do not express any opinion, in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2015.
- ii) In the case of the Profit & Loss Statement, of the Profit of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.



**4. 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 have been kept by the Company so far as appears from our examination of those books .
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report 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 financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses ,if any , on long term contracts including derivative contracts.
  - iii. There has been no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-  
(P.K.JAIN)  
Partner  
M.N. 082515

Place: Delhi

Dated: May 30, 2015

## Annexure to the Independent Auditors' Report

## Re: Rama Steel Tubes Limited

Referred to in paragraph 3 and 4 of our report of even date

1.
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) A substantial portion of the fixed assets has been physically verified by the management during the period and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
2.
  - a) The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
  - a) The company has not granted unsecured loan to any company, firms or other Parties covered in the register maintained under section 189 of the companies Act, 2013. Therefore, clause (b) and (c) are not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of sections of 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.  
In our opinion and according to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any other Tribunal against the company.
6. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 we are of the opinion that prima facie the prescribed accounts and record have been made and maintained. We have not made however a detailed examination of the record with a view to determine whether they are accurate or complete.
7.
  - (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Value Added Tax, Cess etc. were outstanding as at 31st March, 015 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanation given to us and records of the company examined by us, the particulars of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax, Cess which have not been deposited on account of any dispute, are as per annexure below:

Sl No.	Name of the Statute	Nature of Dues	Amount in Rs.	Period to which dues Related	Authority where the Dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been Challenged.	1,01,82,386	November,2008 to March 2011	Before the Supreme Court of India



- (d) According to the information and explanation given to us and records of the company examined by us, the company is not required to transfer amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules made there under to such fund within time.
1. The company has no accumulated losses as at 31st March 2015 and has not incurred any cash losses during the financial period covered by our audit and in the immediately preceding financial period.
  2. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
10. The company has given corporate guarantee for Rs.3000 Lacs for loans taken by Joint Venture Company in which the Company is one of Participant, from bank or financial institutions.
11. In our opinion, the term loans have been applied for the purpose for which they were raised.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-  
**(P.K.JAIN)**  
Partner  
M.N. 082515

Place: Delhi  
Dated: May 30, 2015



## BALANCE SHEET AS AT MARCH 31, 2015

PARTICULARS	Note No.	2015 (Audited) (₹)	2014 (Audited) (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	24,934,000	12,489,000
(b) Reserves and Surplus	3	182,043,975	187,864,685
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	168,472,696	91,401,486
(b) Deferred Tax Liabilities (Net)	5	2,741,743	6,488,427
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	360,942,256	297,545,753
(b) Trade Payables	7	23,435,319	74,440,013
(c) Other Current Liabilities	8	190,619,834	69,816,573
(d) Short-Term Provisions	9	8,688,950	6,536,166
<b>Total Equity &amp; Liabilities</b>		<b>961,878,772</b>	<b>746,582,102</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		118,061,259	144,614,709
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		63,814,906	6,081,078
(b) Non-current investments	11	127,359,588	28,633,683
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	11,406,380	96,618,821
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	13	256,173,135	207,181,585
(c) Trade receivables	14	111,333,740	175,786,701
(d) Cash and cash equivalents	15	74,548,448	22,416,377
(e) Short-term loans and advances	16	199,181,316	65,249,149
(f) Other current assets		-	-
<b>Total Assets</b>		<b>961,878,772</b>	<b>746,582,102</b>

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

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

for and on behalf of the Board

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

Sd/-  
Naresh Kumar Bansal  
(Managing Director)

Sd/-  
Richi Bansal  
(Director)

Place : New Delhi  
Date : May 30, 2015

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED  
ON MARCH 31, 2015**

Sr. No	PARTICULARS	Note No.	2015 (Audited)	2014 (Audited)
			(₹)	(₹)
I	Revenue from operations (Gross)	17	2,062,370,351	1,987,420,120
	Less: Excise Duty		(137,969,448)	(173,927,130)
	Gross Revenue from operations (Net)		1,924,400,903	1,813,492,990
II	Other Income	18	23,854,299	31,194,459
III	<b>Total Revenue (I +II)</b>		<b>1,948,255,202</b>	<b>1,844,687,449</b>
IV	<b>Expenses:</b>			
	Cost of Materials consumed	19	1,731,795,318	1,596,263,742
	Purchase of Stock-in-Trade		843,083	8,859,271
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(38,105,424)	3,673,271
	Employee Benefit Expense	21	27,844,378	27,121,134
	Financial Costs	22	52,746,204	45,644,755
	Depreciation and Amortization Expense	23	22,617,564	17,743,377
	Other Expenses	24	144,430,563	125,839,160
	<b>Total Expenses (IV)</b>		<b>1,942,171,687</b>	<b>1,825,144,711</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>6,083,515</b>	<b>19,542,738</b>
VI	Exceptional Items	25	2,587,381	4,869,970
VII	Profit before Taxes (V - VI)		<b>8,670,896</b>	<b>24,412,708</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		5,017,145	4,981,916
	(2) Deferred tax		(3,746,684)	(2,101,518)
	(3) Income Tax for earlier years		515,873	53,604
	(4) Mat credit Entitlement		19,543	162,435
IX	Profit/(Loss) from the period from continuing operations	(VII-VIII)	<b>6,865,019</b>	<b>21,316,271</b>
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X - XI)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		<b>6,865,019</b>	<b>21,316,271</b>
XIV	Earning per equity share:			
	(1) Basic		4.60	85.64
	(2) Diluted		4.60	85.64

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement This is the Profit & Loss Statement referred to in our Report of even date.

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

for and on behalf of the Board

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

Sd/-  
Naresh Kumar Bansal  
(Managing Director)

Sd/-  
Richi Bansal  
(Director)

Place : New Delhi  
Date : May 30, 2015

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)

## CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2015

(Figures in ₹)

PARTICULARS	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	AMOUNT	TOTAL	AMOUNT	TOTAL
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra ordinary items		6,083,515		19,542,738
Add : Adjustment for Depreciation	22,617,564		17,743,377	
Interest & Finance Charges	52,746,204		45,644,755	
P/L On Sale of Fixed assets	1,431,310		(793,316)	
<b>Operating profit before working capital changes</b>		<b>76,795,078</b>		<b>62,594,816</b>
<b>Adjustment for:</b>		<b>82,878,593</b>		<b>82,137,554</b>
Increase/Decrease in Trade Receivables	64,452,961		(9,740,451)	
Increase/Decrease in Other receivables	(134,546,694)		22,980,143	
Increase/Decrease in Inventories	(48,991,550)		(42,466,325)	
Increase/Decrease in Trade & Other payable	71,093,742	(47,991,541)	25,606,512	(3,620,122)
<b>Cash generated from operations</b>		<b>34,887,052</b>		<b>78,517,432</b>
Cash flow before extra ordinary items		34,887,052		78,517,432
Income Tax Paid		(4,694,951)		(4,450,759)
Extra ordinary items		2,587,381		4,869,970
Net cash from operating activities		<b>32,779,482</b>		<b>78,936,644</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(67,170,982)		(14,536,596)	
Sale of Fixed Assets	11,701,000		1,600,000	
Additions to Investments	(98,725,905)		(4,869,970)	
Advance for Fixed Assets	85,826,968		(15,124,259)	
Net Cash used in investing activities		<b>(68,368,920)</b>		<b>(32,930,826)</b>
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>				
Issue of Equity Shares	12,445,000		10,000,000	
General Reserve use for Issue of Bonus Shares	(12,445,000)		-	
Receipt/Repayment of secured loans	187,888,228		(10,408,386)	
Receipt/Repayment of unsecured loans	(47,420,515)		1,053,698	
Interest & Finance Charges	(52,746,204)		(45,644,755)	
Net cash generated from Financing activities		<b>87,721,509</b>		<b>(44,999,443)</b>
<b>NET CHANGE IN CASH EQUIVALENT (A+B+C)</b>		<b>52,132,071</b>		<b>1,006,374</b>
<b>CASH &amp; CASH EQUIVALENT</b>				
Opening Balance		22,416,377		21,410,003
Net Change in Cash & Cash Equivalent		52,132,071		1,006,374
Closing Balance		<b>74,548,448</b>		<b>22,416,377</b>

## Notes :

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

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

for and on behalf of the Board

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

Sd/-  
Naresh Kumar Bansal  
Managing Director

Sd/-  
Richi Bansal  
Director

Place : New Delhi  
Date : May 30, 2015

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)



**Note No.1 Significant Accounting Policies****1) Basis of Preparation of Financial Statement**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 27.

**2) Fixed Assets**

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

**3) Impairment of Assets**

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

**4) Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets have been provided on the written down-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Plant Machinery - 15 Years  
Factory Building - 30 Years  
Office Equipment - 5 Years  
Vehicle - 8 Years  
Furniture and Fittings - 10 Years  
Computer - 3 Years

**5) Inventories Valuation**

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

**6) Foreign Exchange Transactions**

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

**7) Duties & Credits**

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

- 8) Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable.
- 9) **Retirement Benefits**
- a) The total accrued liability in respect of employees covered by the Payment of Gratuity Act, 1972, as actuarially determined in accordance with the relevant provisions of AS-15 issued by ICAI, and not provided for amounts to Rs.44,77,787/- (Previous Year Rs.39,14,281/-).
- b) Leave Encashment to Rs.3,94,194/- (Previous Year Rs.3,39,711/-) has been not provided for.
- 10) **Borrowing Cost**  
Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets. In compliance of AS-16, the Borrowing Cost amounting to Rs.91,06,056/- (Previous Year Rs.37,02,691/-) has been capitalized during the year to the corresponding Capital Assets.
- 11) **Taxes on Income**  
Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.
- In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.
- 12) **Revenue Recognition**  
Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.
- 13) **Investments**  
Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Diminution, if any, in the value of Long Term Investment in respect of equity shares in Partap Industries Limited has not been provided for since the Management is of the opinion that reduction in the value of investment is of the temporary nature considering to inherent value and nature of investee's business and hence no provision is required. Current investments are carried at lower of cost and fair value. Income/ Loss from investments are recognized in the year in which it is generated.
- 14) **Provision and Contingencies**  
The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.
- 15) **Cash Flow Statement**  
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated
- 16) **Earnings per Share**  
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

As per our separate audit Report of  
even date attached

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

**For and on behalf of the Board**

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

Sd/-  
Naresh Kumar Bansal  
Managing Director

Sd/-  
Richi Bansal  
Director

Place : New Delhi  
Date : May 30, 2015

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)



**Notes Forming Integral Part of the Balance Sheet as at March 31, 2015**

**Note : 2 Share Capital**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>AUTHORIZED CAPITAL</b>		
	15,00,000 Equity Shares of Rs.10/- each (As at Previous Year 5,00,000)	15,000,000	5,000,000
	25,00,000, 5% Non Cumulative Redeemable Preference Shares of Rs. 10/- each (As at Previous Year 25,00,000 5% Non Cumulative Redeemable Preference Shares of Rs.10/- each)	25,000,000	25,000,000
		40,000,000	30,000,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	14,93,400 Equity Shares of Rs.10/- each fully paid up (Previous Year 2,48,900 Shares)	14,934,000	2,489,000
	10,00,000 ,5%Non-Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up (Previous Year 10,00,000 5%Non-Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up)	10,000,000	10,000,000
	<b>Total</b>	<b>24,934,000</b>	<b>12,489,000</b>

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

Particulars	Current Year	Previous Year
Shares outstanding as at the beginning of the year 01.04.2014:		
Equity Face Value of Rs. 10 Fully paid	248,900	248,900
5%Non-Cumulative Redeemable Preference Shares of Rs.10 Fully paid	1,000,000	-
<b>Additions during the year:</b>		
Equity Shares issued during the year	1,244,500	
5%Non-Cumulative Redeemable Preference	-	1,000,000
Deletion during the year	-	-
<b>Shares outstanding as at the end of the year 31.03.2015</b>		
Equity Face Value of Rs.10 Fully paid	1,493,400	248,900
5%Non-Cumulative Redeemable Preference Shares of Rs.10 Fully paid	1,000,000	1,000,000
<b>Total</b>	<b>2,493,400</b>	<b>1,248,900</b>

**Details of allotment of securities in the preceeding 5 financial years :**

- (i) 12,44,500 ,Equity Shares of Rs. 10 each were allotted on Sept., 12,2014 to existing shareholders as bonus shares in the ratio of 1:5 .(For every one shares 5 bonus shares allotted )
- (ii) 10,00,000 ,5% Non Cumulative Preference Shares of Rs. 10 each were allotted on October 11,2013 to its Managing Director Naresh Kumar Bansal .

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

Name of the Shareholder	Current Year		Previous Year	
	No. of shares Held	% of Holding	No of shares Held	% of Holding
Naresh Kumar Bansal	742,800	49.74%	108,100	43.43%
Ajay Kumar Bansal	-	-	12,450	5.00%
Harbans Lal (HUF)	-	-	15,700	6.30%
Richi Bansal	129,300	8.66%	9,500	3.82%
Nikhil Naresh Bansal	126,600	8.48%	7,500	3.01%

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

**Note : 3 Reserve & Surplus**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>General Reserve</b>		
	Balance brought forward from previous year	167,409,310	164,909,310
	Add: Additions	2,500,000	2,500,000
	Less: Issue of Bonus Shares	(12,445,000)	-
		<b>157,464,310</b>	<b>167,409,310</b>
2	<b>Surplus (Statement of Profit &amp; Loss)</b>		
	Balance brought forward from previous year	20,455,375	1,639,104
	Add: Net Profit/ (Loss) for the period	6,865,019	21,316,271
	Less: Transfer to Reserves	2,500,000	2,500,000
	Less: Salvage value of Fixed Assets Written off	(240,729)	-
	Closing Balance	24,579,665	20,455,375
	<b>Total</b>	<b>182,043,975</b>	<b>187,864,685</b>

**Note : 4 Long Term Borrowings**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>Secured</b>		
	<b>Term Loan</b>		
	- From Bank	157,246,998	31,971,073
	- From Others	1,073,004	1,857,204
	<b>Unsecured</b>		
2	- Fixed Deposit	-	18,459,159
3	- From related parties	6,697,694	33,524,594
4	- Security Deposits from Dealer	3,455,000	5,589,456
	<b>Total</b>	<b>168,472,696</b>	<b>91,401,486</b>

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

Sr.	Loan Amount	
1	Term Loan amounting Rs.3,97,34,231 (P.Y.Rs Nil)	Repayable in 120 monthly installments commencing from Sept, 2015. Last installment due in August., 2025. Rate of interest 10.40% p.a as at year end ( P.Y. Nil)
2	Term Loan amounting Rs.9,04,28,118 (P.Y.Rs Nil)	Repayable in 120 monthly installments commencing from August, 2014. Last installment due in July., 2024. Rate of interest 12% p.a as at year end ( P.Y. Nil)
3	Term Loan amounting Rs.2,70,84,649 ( P.Y.Rs.Nil).	Repayable in 60 monthly installments commencing from Oct,2015. Last installment due in Sept., 2020. Rate of interest 13.95% p.a as at year end. (P.Y. Nil.)
4	Term Loan amounting Rs.10,73,004 ( P.Y.Rs.22,53,957)	Repayable in 60 monthly installments commencing from Nov 2012. Last installment due in Oct 2017. Rate of interest 8.56% p.a as at year end. (P.Y. 8.56%)
<b>Nature of Security of sub Note 1.1 of Note no. 3:- Secured against mortgage of Jaypee Greens, Greater Noida, UP.</b>		
<b>Nature of Security of sub Note 1.2 of Note no. 3:- Secured against mortgage of Plot No131,sector-44,Gurgaon.</b>		
<b>Nature of Security of sub Note 1.3:- Secured by hypothecation of Plant and Machinery .</b>		
<b>Nature of Security of sub Note 1.4 of Note no. 3:- Secured by hypothecation vehicles.</b>		

Installments falling due in respect of all the above Loans upto 31.03.2016 have been grouped under "Current maturities of long-term debt" (Refer Note 8)



**Note : 5 Deffered Tax Liabilities**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>Deffered Tax Liabilities</b>		
	- Opening Balance	6,488,427	8,589,945
	- Additions during the Year	(3,746,684)	(2,101,518)
	<b>Total</b>	<b>2,741,743</b>	<b>6,488,427</b>

**Note : 6 Short Term Borrowings**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>Working Capital Loans Repayable on Demand</b>		
	- From Bank (including Packing Credit Limit )	360,942,256	297,545,753
	<b>Total</b>	<b>360,942,256</b>	<b>297,545,753</b>

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

**Note : 7 Trade Payable**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Sundry Creditors for Raw Material	886,837	54,386,275
2	Sundry Creditors for Expenses	17,680,465	16,671,882
3	Expenses Payable	4,868,017	3,381,856
	<b>Total</b>	<b>23,435,319</b>	<b>74,440,013</b>

**Note : 8 Other Current Liabilities**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Current Maturities of Long Term Debt	18,019,157	5,664,418
2	Interest accrued on Fixed Deposits	-	1,547,812
3	Advance From Customers	80,652,555	54,675,726
4	Statutory Liabilities	7,115,440	7,928,617
5	Bank Overdraft-Bank of India	84,832,682	-
	<b>Total</b>	<b>190,619,834</b>	<b>69,816,573</b>

**Note : 9 Short Term Provision**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Provision for Excise Duty on Finished Goods	7,783,359	6,488,184
2	Provision for Taxation(Net)	905,591	47,982
	<b>Total</b>	<b>8,688,950</b>	<b>6,536,166</b>

## Note No. 10 on Tangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2014	Additions during the Year	Sales / adj. during the year	Total as on 31-03-2015	Upto 31-03-2014	During the year	Adjustment during the year	Upto 31-03-2015	W.D.V. As on 31-03-2015	W.D.V. As on 31-03-2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
I) LAND (SAHIBABAD)	490,946	-	-	490,946	-	-	-	-	490,946	490,946
LAND (B-5)	4,954,518	-	-	4,954,518	-	-	-	-	4,954,518	4,954,518
LAND (B-25/1)	3,902,462	-	-	3,902,462	-	-	-	-	3,902,462	3,902,462
LAND (48/1/2C)	11,434,510	1,697,800	13,132,310	-	-	-	-	-	-	11,434,510
MUMBAI LAND-I	5,713,583	-	-	5,713,583	-	-	-	-	5,713,583	5,713,583
MUMBAI LAND-II	-	2,485,000	-	2,485,000	-	-	-	-	2,485,000	-
LAND (SEC 4-131) GURGAON	9,506,075	-	-	9,506,075	-	-	-	-	9,506,075	9,506,075
II) OFFICE -I AT MUMBAI	196,500	-	-	196,500	151,800	19,438	-	171,238	25,262	44,700
OFFICE -II AT MUMBAI	1,009,950	-	-	1,009,950	267,544	87,088	-	354,632	655,318	742,406
FACTORY SHED & BUILDING	12,064,901	-	-	12,064,901	6,730,030	493,038	-	7,223,068	4,841,833	5,334,871
BUILDING (PLOT NO.131)	28,148,133	-	-	28,148,133	2,669,755	2,495,503	-	5,165,258	22,982,875	25,478,378
III PLANT & MACHINERY	167,787,219	5,143,454	-	172,930,673	107,782,629	13,261,277	-	121,043,906	51,886,766	60,004,589
IV FURNITURE & FIXTURES	1,741,059	-	-	1,741,059	695,267	282,396	-	977,663	763,396	1,045,792
V OFFICE EQUIPMENT	1,749,867	29,990	157,080	1,622,777	1,075,188	332,078	-	1,407,266	215,511	674,679
VI VEHICLES	18,426,496	-	-	18,426,496	10,611,663	2,698,100	-	13,309,763	5,116,733	7,814,833
VII GENERATOR SET	6,309,143	-	-	6,309,143	4,214,527	430,767	-	4,645,294	1,663,849	2,094,616
VIII AIR CONDITIONER	4,887,822	-	82,470	4,805,352	1,365,967	1,936,945	-	3,302,912	1,502,440	3,521,855
IX ELECTRIC FITTINGS & INSTALLATION	2,353,376	-	-	2,353,376	588,856	503,327	-	1,092,183	1,261,193	1,764,520
X COMPUTERS	1,254,556	80,910	1,179	1,334,287	1,163,180	77,607	-	1,240,787	93,500	91,376
TOTAL FOR THIS YEAR	281,931,115	9,437,154	13,373,039	277,995,230	137,316,408	22,617,564	-	159,933,972	118,061,259	144,614,708
TOTAL PREVIOUS YEAR	279,572,541	10,358,574	8,000,000	281,931,115	126,786,346	17,743,377	7,193,315	137,316,408	144,614,708	152,806,195

## Capital Work In Progress

Particulars	As on 01-04-2014	Additions	Total	Capitalized	As at 31-03-2015
Factory Shed and Building	1,903,056	14,325,020	16,228,076	-	16,228,076
Plant & Machinery	4,132,302	34,222,014	38,354,316	-	38,354,316
Pre Operative Expenditure	45,720	2,514,984	2,560,704	-	2,560,704
Rolls	-	2,974,528	2,974,528	-	2,974,528
Air Conditioner	-	119,901	119,901	-	119,901
D.G.Set	-	426,645	426,645	-	426,645
Electric Fittings	-	3,150,736	3,150,736	-	3,150,736
Jaypee Green	-	-	-	-	-
Total for this Year	6,081,078	57,733,828	63,814,906	-	63,814,906



**Note : 11 Non-Current Investment**

Sr. No	PARTICULARS	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
I	<b>Investment in Joint Venture (Unquoted ,Trade)</b> M/s Pir Panchal Construction Pvt. Ltd. Joint Venture, Jammu *	29,792,683	27,205,302
II	<b>Quoted Other than Trade at cost less provision (Quoted) Investment in Equity Shares</b> 25000 Equity Share of Rs.10/- each in Partap Industries Ltd. issued at Premium of Rs.10/- each (Previous Year 25000 Equity Shares) 60500 Equity Shares of Rs.10/- each in Uttam Value Steels Ltd. (Formerly Lloyd Steel Industries Ltd.) (Previous Year 60500 Equity Shares)	500,000 928,181	500,000 928,181
III	<b>Unquoted Other than Trade at cost less provision (Unquoted) Investment in Equity Shares :</b> Two Equity Shares of Rs. 100/- each in CIDCO, Mumbai	200	200
IV	<b>Investment in Immovable Property</b> Immovable propert at Jaypee Green,Noida	96,138,525	-
	<b>Total</b>	<b>127,359,588</b>	<b>28,633,683</b>
	Aggregate book value of unquoted Investments	29,792,883	27,205,502
	Aggregate book value of quoted Investments	1,428,181	1,428,181
	Market Value of quoted Investments	605,000	605,000
	Aggregate provision for diminuiton in value of Investments	-	-

\* The share of Profit of the Company in the above Joint Venture is 25%. The Audited Financial Statements of M/s.Pirpanchal Constructions Pvt Ltd Joint Venture could not be obtained and statement of accounts of theCompany has been prepared on the basis of provisional statements of accounts of Joint Venture Company.

**Note : 12 Long Term Loans and Advances**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
I)	<b>Capital Advances</b> Unsecured, Considered Good	3,978,426	89,805,394
II)	<b>Security Deposit</b> Unsecured, Considered Good	7,345,954	6,732,427
III)	<b>Other Loans &amp; Advances</b>	82,000	81,000
	<b>Total</b>	<b>11,406,380</b>	<b>96,618,821</b>

**Note : 13 Inventories**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Raw Material	114,575,775	103,555,350
2	Finished Goods	140,088,521	101,196,907
3	Rejection & Scrap	1,096,738	1,882,929
4	Consumables	412,100	546,400
	<b>Total</b>	<b>256,173,135</b>	<b>207,181,585</b>

The closing stock of Finished Goods has been valued inclusive of Excise Duty amounting to Rs.77,83,359/- Previous Year Rs. 64,88,184/- as per ASI 14(Revised) issued by ICAI.

## Note : 14 Trade Receivables

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good :	13,234,343	10,208,588
2	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, Considered Good :	98,099,397	165,578,113
	<b>Total</b>	<b>111,333,740</b>	<b>175,786,701</b>

## Note : 15 Cash &amp; Cash Equivalent

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>Cash &amp; Cash Equivalent</b>		
	Cash Balance	2,659,079	1,478,794
	Bank Balance	43,029,375	418,285
	<b>Sub Total (1)</b>	<b>45,688,454</b>	<b>1,897,078</b>
2	<b>Other Bank Balances</b>		
	Fixed Deposits with Banks	27,068,549	19,806,794
	Accrued Interest on FDR's & Securities (In margin money with maturities more than three months and less than twelve months at inception)	1,791,445	712,505
	<b>Sub Total (2)</b>	<b>28,859,994</b>	<b>20,519,299</b>
	<b>Total [ 1+2]</b>	<b>74,548,448</b>	<b>22,416,377</b>

## Note : 16 Short Terms Loans and Advances

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Advance to Suppliers and Others	64,063,162	14,107,208
2	Prepaid Expenses	212,689	1,482,928
3	Advance Payment with Revenue Authorities (Indirect Taxes)	134,905,466	49,614,934
4	MAT Credit Entitlement	-	44,079
	<b>Total</b>	<b>199,181,316</b>	<b>65,249,149</b>



**Notes Forming Integral Part of the Statement of Profit & Loss as on March 31, 2015**

**Note : 17 Revenue from Operations**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Sales (Finished Goods) - Domestic	1,218,696,042	1,610,188,036
2	Sales (Finished Goods) - Export	791,151,839	347,238,696
		2,009,847,881	1,957,426,732
3	Sales Traded Goods (Raw Material Cleared as such)	858,274	9,018,906
4	Job Work	928,505	2,876,299
5	Export Incentive	50,735,691	18,098,183
	<b>Gross Revenue</b>	<b>2,062,370,351</b>	<b>1,987,420,120</b>
6	Less: Excise Duty	(137,969,448)	(173,927,130)
	<b>Total</b>	<b>1,924,400,903</b>	<b>1,813,492,990</b>

Sr. No	Detail of Sale of Products	Current Year	Previous Year
	<b>Manufactured Goods :</b>		
1	Black Pipe/Tubes	1,113,448,148	1,371,298,629
2	Rejected Pipes /Scrap	81,239,771	64,454,558
3	GP Pipe/Tubes	801,457,895	513,824,657
4	Others	16,117,286	7,848,889
	Less : Rebate and Discount	(2,415,219)	-
		2,009,847,881	1,957,426,733
	<b>Trading Goods :</b>		
1	Zinc	-	23,820
2	HR Strip/Coil	858,274	8,995,085
		858,274	9,018,906
	<b>Total</b>	<b>2,010,706,155</b>	<b>1,966,445,639</b>

**Note : 18 Other Income**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Interest Earned on FDRs	2,539,985	1,724,526
2	Profit On Sale of Fixed Assets	-	793,316
3	Misc. Income	18,660,606	19,592,859
4	Foreign Exchange Fluctuation	2,653,708	9,083,758
	<b>Total</b>	<b>23,854,299</b>	<b>31,194,459</b>

**Note : 19 Cost of Material Consumed**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	<b>Raw Materials</b>	1,713,263,656	1,581,289,883
	Opening Stock	103,555,350	57,335,353
	Add: Purchase	1,724,284,082	1,627,509,880
	Less: Closing Stock	(114,575,775)	(103,555,350)
2	<b>Stores and Spares</b>		
	Stores & Consumables	18,531,662	14,973,859
	<b>Total</b>	<b>1,731,795,318</b>	<b>1,596,263,742</b>

Sr. No	Detail of Raw Material Consumed:	Current Year	Previous Year
1	HR Coil	1,548,764,564	1,501,583,018
2	Black pipe	32,892,175	9,513,764
3	Zinc	136,061,799	69,201,888
4	Others	14,076,780	15,965,072
	<b>Total</b>	<b>1,731,795,318</b>	<b>1,596,263,742</b>

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

**Note : 20 Change in Inventories**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Opening Stock Finished Goods	103,079,836	106,753,107
	<b>Total-1</b>	<b>103,079,836</b>	<b>106,753,107</b>
2	Closing Stock Finished Goods	141,185,259	103,079,836
	<b>Total-2</b>	<b>141,185,259</b>	<b>103,079,836</b>
	<b>Total (2-1)</b>	<b>(38,105,424)</b>	<b>3,673,271</b>

**Note : 21 Employee Benefit Expenses**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Salaries, Wages, Bonus etc.	25,136,197	24,162,243
2	Contribution to Provident and other Funds	2,041,440	1,905,416
3	Staff Welfare Expenses	666,741	1,053,475
	<b>Total</b>	<b>27,844,378</b>	<b>27,121,134</b>

**Note : 22 Financial Cost**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Interest Expense	40,237,184	37,680,568
2	Other Borrowing Cost	12,509,021	7,964,187
	<b>Total</b>	<b>52,746,204</b>	<b>45,644,755</b>

**Note : 23 Depreciation & Amortised Cost**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Depreciation	22,617,564	17,743,377
	<b>Total</b>	<b>22,617,564</b>	<b>17,743,377</b>



**Note : 24 Other Expenses**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
	<b>Manufacturing Expenses</b>		
1	Job Work Charges	3,663,786	13,120,083
2	Power & Fuel Expenses	43,009,601	38,295,770
3	Repair & Maintenance :-		
	Building	2,210,095	3,265,454
	Plant & Machinery	2,983,977	5,998,927
	<b>Administrative Expenses</b>		
4	Rent	2,005,750	1,480,956
5	Printing & Stationery	321,935	213,328
6	Postage & Telephone	1,068,087	1,159,258
7	Vehicle Running Expenses	1,265,510	1,148,375
8	Fees & Taxes	1,646,953	795,152
9	Travelling Expenses:		
	Directors	2,272,151	2,874,483
	Others	3,438,849	1,245,238
10	Legal & Professional Charges	2,469,931	1,315,944
11	Miscellaneous Expenses	2,376,494	396,210
12	Auditor's Remuneration	100,000	100,000
13	Insurance	447,710	384,756
14	Key-man Insurance	493,866	756,361
15	Office Expenses	519,224	715,436
	<b>Selling &amp; Distribution Expenses</b>		
16	Advertisement Expenses	47,891	621,814
17	Commission	9,952,006	9,306,811
18	Rebate & Discount	-	3,281,410
19	Freight Outward	60,731,718	37,110,209
20	Sales Promotion	2,730,209	1,458,053
21	Additional Entry Tax	485,602	313,335
22	Other Selling Expenses	189,218	481,799
	<b>Total</b>	<b>144,430,563</b>	<b>125,839,160</b>

**Note : 25 Exceptional items**

Sr. No	Particulars	(₹)	(₹)
		2015 (Audited)	2014 (Audited)
1	Share Of Profit in joint Venture	2,587,381	4,869,970
	<b>Total</b>	<b>2,587,381</b>	<b>4,869,970</b>

**Note No.26 Contingent Liabilities****Contingent liability not provided for in respect of :**

- Bank Guarantees of Rs.1751.10 Lacs (Previous year Rs.1812.01 Lacs).
- Bills Discounted of Rs.111.63 Lacs (Previous Year Rs.Nil)
- Accrued Liability for Leave Encashment of Rs.3.94 Lacs (Previous Year Rs.3.39 Lacs)
- Accrued Liability for Gratuity Outstanding of Rs.44.78 Lacs (Previous Year Rs.39.14 Lacs)
- Outstanding letters of credit amounting to Rs.125.00 Lacs. (Previous year Rs.125.00 Lacs)
- Entry Tax Payable Rs.111.42 Lacs (Previous Year Rs.111.42 Lacs)
- Corporate Guarantees of Rs.3000.00 Lacs (previous Year Rs.3000) given to Union Bank of India on account of Bank Guarantees furnished by Union Bank of India to the Jammu & Kashmir Govt towards contracts awarded to M/s Pir Panchal Construction Pvt.Ltd., Joint Venture, an association of person, in which our company is one of the participant.

**Note No. 27: Depreciation**

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate/ useful life	Revised useful life based on WDV
Factory Building	10%	30 years
Plant & Machinery	15%	15 years
Office Equipment	15%	5 years
Vehicle	15%	8 years
Furniture & Fixture	10%	10 years
Computer	60%	3 years

**Note No.28**

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

**Note No.29**

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

**Note No.30 Disclosure regarding computation of EPS in accordance with AS-20**

(Figures in ₹)

Particulars	2015	2014
<b>A. Basic EPS</b>		
Profit After Tax As per P&L A/c (Rs.)	68,65,019	2,13,16,271
Weighted Avg. Number of Equity Share	14,93,400	2,48,900
Basic EPS(Rs.)	4.60	85.64
<b>B. Diluted EPS</b>		
Profit After Tax As per P&L A/c (Rs.)	68,65,019	2,13,16,271
Diluted Number of Equity Shares O/s	14,93,400	2,48,900
Diluted EPS (Rs.)	4.60	85.64
<b>C. Computation of Diluted Number of Equity Shares</b>		
1. Basic Shares	2,48,900	2,48,900
2. Share Application Money of which share are allotted during the year	--	--
3. Issue Price Per Share in Rs	--	--
4. Number of Shares at above issue Price	12,44,500	--
5. Total Diluted Equity Shares (1+4)	14,93,400	2,48,900



**Note No.31 Segment Reporting (AS-17)**

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

**Note No.32 Related Party Disclosures (AS 18)**

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

**A. List of Related Parties**

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

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

Key Management Personnel

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

Relatives of Key Manangement Personnel

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

**B. Detail of Related Party Transactions**

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Remuneration Paid	--	32,40,000	3,90,000
Interest Paid	10,35,025	--	18,43,186
Rent Paid	--	13,47,600	6,00,000

**C. Amount due to / from Related Parties as on 31st March 2015**

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Amount due to Related Parties	64,55,758	9,82,307	--
Amount due from Related Parties	--	--	--

**Note No.33 Value of Exports**

Particulars	2015	2014
Value of Exports (FOB) (₹)	79,11,51,839	34,72,38,609

**Note No.34 Expenditure in Foreign Currency**

Particulars	2015	2014
Expenditure in Foreign Currency	66,53,793	32,20,801

**Note No.35**

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

**Note No.36**

Long Term Loans & Advances vide Note No.12 include Advances against Capital Account of Rs.17,92,025/- given as Advance against Mumbai Land Development. The aforesaid Land is in the name of the company.

**Note No.37 Auditors Remuneration (excluding Service Tax)**

Particulars	2015	2014
Statutory Audit Fees	80,000	20,000
Tax Audit Fees	80,000	20,000
Other	NIL	NIL
Total	1,00,000	1,00,000

**Note No.38 Break-up of Managerial Remuneration**

Particulars	2015	2014
Salary	34,33,200	34,33,200
Contribution to Provident Fund	23,616	23,616
Other Perquisites	79,200	79,200
Total	35,36,016	35,36,016

**Note No.39 Breakup of Directors Travelling Expenses**

Particulars	2015	2014
i). Foreign Travelling	19,16,319	3,55,832
ii). Inland Travelling	25,43,929	3,30,554
Total	22,72,151	28,74,483

**Note No.40**

On the basis of information available with the company, it does not owe any outstanding dues towards Small Scale Industrial Undertaking amended Schedule VI of the companies Act, 1956 vide Notification NO. GSR 129 (E) dated 22.02.99, in case the sum owned is Rs. 1.00 Lac or more which is outstanding for more than 30 days as at 31st March, 2015.

**Note No.41**

On the basis of information available with the company, the Company does not have any amounts due to suppliers under the Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March 2015.

**Note No.42**

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

**Note No.43**

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

**Note No.44**

Significant accounting policies and practices adopted by the company are disclosed in the Note No.1 annexed to these financial statements.

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

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

**For and on behalf of the Board**

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

Sd/-  
Naresh Kumar Bansal  
Managing Director

Sd/-  
Richi Bansal  
Director

Place : New Delhi  
Date : May 30, 2015

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)



## **NOTICE**

Notice is hereby given that the Forty first Annual General Meeting of the members of Rama Steel Tubes Limited will be held on Tuesday, the 29th day of September, 2015 at 11.30 a.m. at No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092 to transact the following business:-

### **Ordinary Business**

#### **Item no. 1 – Adoption of financial statements**

To consider and adopt the audited financial statement of the Company for the financial year ended 31st March 2015, 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. Richi Bansal, who retires by rotation and being eligible, offers himself for re-appointment.

#### **Item no. 3 – Appointment of Statutory Auditors**

To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED that M/s. VAPS & COMPANY, Chartered Accountants (Registration No. 003612N), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2017-18 on such remuneration as shall be fixed by the Board of Directors of the Company."

### **Special Business**

#### **Item no. 4 – Re-appointment of Mr. Naresh Kumar Bansal as Managing Director**

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

"Resolved that pursuant to 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 subject to the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges and/ or approval of any appropriate authority(s) under any other applicable law, rules and regulations for the time being in force and amended from time to time and further subject to such terms and conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include Nomination and Remuneration Committee and/ or any other Committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated), be and is hereby authorized to accept and further subject to such conditions and modifications as may be considered appropriate from time to time, during the term of re-appointment, by the Board of the Company, the consent of the members be and is hereby accorded for reappointment of Mr. Naresh Kumar Bansal, Managing Director of the Company, for a period of five years with effect from 1st October 2015 on the following terms & conditions:

**Tenure of Appointment: 5 year w.e.f. 1st October 2015 till 30th September 2020**

**Salary: Rs. 2,00,000/- p.m. or Rs. 24,00,000/- 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 Rs. 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 Rs.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.

"Further resolved that the Board may, from time to time, vary or modify the above terms including remuneration as it think fit during the tenure of re-appointment, provided however that such variation is within the limits fixed aforesaid and as per the provisions/ limits laid down under the Act."

"Further resolved that subject to the Schedule V of the Act, the aforesaid remuneration shall be paid within the applicable limit(s) and period thereof, whenever and wherever applicable, as minimum remuneration comprising salary and perquisites to Mr. Naresh Kumar Bansal in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment."

"Further resolved that the Board be and is hereby authorized to take all such steps, acts, deeds and things as may be required, desirable or expedient to give effect to this resolution."

**Item no. 5 – Appointment of Mr. Bharat Bhushan Sahny as an Independent Director**

**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 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Bharat Bhushan Sahny, who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 18, 2014 and who holds office till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Bharat Bhushan Sahny as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to November 17, 2019, not liable to retire by rotation."

**Item no. 6 – Appointment of Mr. Rajendra Prasad Khanna as an Independent Director**

**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 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Rajendra Prasad Khanna, who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 18, 2014 and who holds office till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Rajendra Prasad Khanna as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to November 17, 2019, not liable to retire by rotation."

**Item no. 7 – Appointment of Ms. Hannya Dhir as an Independent Director**

**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 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Hannya Dhir, who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2015 and who holds office till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of



whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Hannya Dhir as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to March 29, 2020, not liable to retire by rotation."

**Item no. 8 – Approval of remuneration of the Cost Auditors for the financial year ending March 31, 2015 and March 31, 2016**

**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, 2015 and March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

**Item no. 9 – To Borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company**

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

"Resolved that, pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

**Item no. 10 – To Increase in terms of remuneration of Mr. Richi Bansal, Executive Director of the Company**

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

"Resolved that pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from this general meeting, the revision in the salary scale applicable to Mr. Richi Bansal, as detailed in the statement forming part of this notice.

Resolved further that the Board of Directors (including any Committee thereof) be and is hereby authorised to fix his salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary.

Resolved further that the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**Notes :**

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 to 10 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 2 and Item Nos. 4 to 7 of the Notice, are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.** The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed on Tuesday, September 29, 2015.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.



## 6. Information and other instructions relating to e-voting are as under :

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iii. The Board of Directors of the Company has appointed Mr. Vipin Aggarwal, a Practicing Chartered Accountant, Partner, VAPS & Company, New Delhi as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- iv. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 22, 2015.
- v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 22, 2015 only shall be entitled to avail the facility of remote e-voting / Insta Poll.
- vi. The e-voting period commences on Saturday, 26th September, 2015 (9.00 a.m. IST) and ends on Monday, 28th September, 2015 (5.00 p.m. IST). During this period, Members may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 22, 2015 i.e. the cut-off date.
- vii. The instructions and other information for e-voting are as under:

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

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

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

**Please note that:**

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

By order of the Board of Directors

Sd/  
NARESH KUMAR BANSAL  
Managing Director

New Delhi  
September 4, 2015



## **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 nos. 4 to 8 of the accompanying Notice:

### **Item no. 4**

Mr. Naresh Kumar Bansal was appointed as Managing Director w.e.f. 1st October 2012 for a period of Three(3) years i.e. upto September 30, 2015.

Having regard to the valuable services rendered to the company by him, Nomination and Remuneration Committee and Audit Committee recommended to re-appoint Mr. Naresh Kumar Bansal as Managing Director.

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'), 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.

The terms of re-appointment including remuneration are as per the proposed resolution given in the Notice of the Annual General Meeting forming part of this Annual Report.

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. 4 for the approval of the members.

### **Item no. 5**

The Board of Directors, at its meeting held on November 18, 2014, appointed Bharat Bhushan Sahny as an Additional Director of the Company with effect from November 18, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 120 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Bharat Bhushan Sahny will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Bharat Bhushan Sahny for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Bharat Bhushan Sahny (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Bharat Bhushan Sahny as an Independent Director of the Company for a period up to November 17, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

No director, key managerial personnel or their relatives, except Bharat Bhushan Sahny, to whom the resolution relates, are interested or concerned in the resolution.

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

### **Item no. 6**

The Board of Directors, at its meeting held on November 18, 2014, appointed Rajendra Prasad Khanna as an Additional Director of the Company with effect from November 18, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 120 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Rajendra Prasad Khanna will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Rajendra Prasad Khanna for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Rajendra Prasad Khanna (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Rajendra Prasad Khanna as an Independent Director of the Company for a period up to November 17, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

No director, key managerial personnel or their relatives, except Rajendra Prasad Khanna, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

#### Item no. 7

The Board of Directors, at its meeting held on March 30, 2015, appointed Hannya Dhir as an Additional Director of the Company (Woman Director) with effect from March 30, 2015, pursuant to Section 161 of the Companies Act, 2013, read with Article 120 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Hannya Dhir will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹1,00,000/- proposing the candidature of Hannya Dhir for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Hannya Dhir (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Hannya Dhir as an Independent Director of the Company for a period up to March 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

No director, key managerial personnel or their relatives, except Hannya Dhir, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

#### Item no. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2015 and March 31, 2016 as per the following details:

Sr. No.	Name of the Cost Auditor	Financial Year	Audit Fees
1	M/s S. Shekhar & Company	2014-15	₹ 40,000/-
2	M/s S. Shekhar & Company	2015-16	₹ 40,000/-



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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015 and March 31, 2016.

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 commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

**Item no. 9**

Under section 180(1)(c) of the Companies Act, 2013, exercise of borrowing powers by the Board of Directors of the Company in excess of its paid up Share Capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) requires approval of the members of the Company by way of a Special Resolution.

Your Company today is growing at a fast pace both organically and inorganically. To take care and successfully implement its ambitious plans, the Company would required to infuse substantial funds and accordingly may have to depend on large amount of borrowings from time to time.

It is, therefore, considered desirable to enhance the limit to Rs. 100 Crores (Rupees One Hundred Crores only).

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution.

The Board commends the Special Resolution set out at Item no. 9 of the Notice for approval by the shareholders.

**Item no. 10**

The members of the Company at the 33rd Annual General Meeting of the Company, had approved the appointment of Mr. Richi Bansal as Executive Director of the Company and the terms of remuneration payable to him.

The monthly basic salary of Mr. Richi Bansal is ₹ 1,00,000/-.

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 4th September, 2015 decided to revise the salary of Mr. Richi Bansal from the existing ₹ 1,00,000/- p.m. to ₹ 1,50,000/- p.m.

All other terms and conditions relating to his appointment and remuneration as approved earlier by the members remain unchanged.

Details of remuneration paid to Mr. Richi Bansal during the Financial Year 2014-15 have been disclosed in the annexure to the Directors' Report.

Except Mr. Richi Bansal, to whom resolution relates and Mr. Naresh Kumar Bansal, being relative of the 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. 10 for the approval of the members.

By order of the Board of Directors

Date: September 4, 2015

Place : New Delhi

Sd/-  
NARESH KUMAR BANSAL  
Managing Director

## Additional information on directors recommended for appointment / re-appointment as required under Clause 49 of the Listing Agreement

**Mr. Richi Bansal**, aged 35 years, is the Director of the company and is highly motivated and ambitious person. He did B. Sc (Hons.) in Management from Bradford University, U.K. and did his internship from a reputed company called BIE (Marketing & Advertising). He is thoroughly professional in approach and is overseeing the marketing department of the Company and is instrumental in taking the products of the Company to overseas markets. He is exploring new avenues to augment the turnover of the company. The Company expects its turnover to expand manifold under his able guidance and leadership.

**Directorships held in other public companies : NIL**

**Memberships/Chairmanship of committees of other public companies : NIL**

**Number of Shares held in the Company: 129300 Equity Shares of Rs.10/- each**

**Mr. Naresh Kumar Bansal**, aged 61 years, is the Managing Director of the Company and is an entrepreneur with dynamic vision and sharp business acumen. He is a graduate in law and has been in the Industry of manufacturing of "Steel Tubes" for more than 30 years. He is well versed with the technical aspects of manufacturing of steel tubes and is competent enough to customize the production according to the requirements of the customers. He controls the entire production and dispatches of the company and oversees the production & planning departments of the Company. Apart from it, he is also overseeing the financial affairs of the Company and is responsible for the Financial Planning and fund-raising.

**Directorships held in other public companies : NIL**

**Memberships/Chairmanship of committees of other public companies : NIL**

**Number of Shares held in the Company: 742800 Equity Shares of Rs.10/- each**

**Mr. Bharat Bhushan Sahny** is the Independent Non Executive Director of our Company. Shri Sahny had graduated in commerce from Sri Ram College of Commerce, Delhi. In 1962, he joined the stock broking business. He also held the position of Director on the Board of Delhi Stock Exchange Limited for 27 years. He also held the position of Vice President and President in "DSE" and was instrumental in getting online Trading started in "Delhi Stock Exchange". During his tenure as "President" of Delhi Stock Exchange, the daily turnover touched record time high at Rs. 1000 crores. He also held the position of Chairman of "Investors Awareness Committee" for many years and was instrumental in promoting investment culture in North India by conducting investor awareness seminars at multiple places.

**Directorships held in other public companies :**

- Potential Investments and Finance Limited

**Chairmanship/ Memberships of committees of other public companies**

- |   |   |   |
|---|---|---|
| <ol style="list-style-type: none"> <li>1. Chairman of the Shareholders'/Investors' Grievance Committee</li> <li>2. Member of Audit Committee</li> <li>3. Member of Nomination &amp; Remuneration Committee</li> </ol> | } | Potential Investments and Finance Limited |
|---|---|---|

**Number of Shares held in the Company : NIL**

**Mr. Rajendra Prasad Khanna**, aged 66 years, is a qualified Electrical Engineer and has a rich experience of more than 40 years in steel tubes industry in various companies at different levels. The Company believes that it will be able to immensely benefit from its rich experience in the steel tubes industry.

**Directorships held in other public companies: NIL**

**Memberships/Chairmanship of committees of other public companies: NIL**

**Number of Shares held in the Company: NIL**

**Ms. Hannya Dhir**, aged 38 years, is a well qualified Management Consultant having obtained post graduate degree in Commerce. She joined M/s Finwiz Capital Services Private Limited in the year 2007. She is well versed in the field of finance and management.

**Directorships held in other public companies: NIL**

**Memberships/Chairmanship of committees of other public companies: NIL**

**Number of Shares held in the Company: NIL**



**Route map to the venue of the AGM**



**RAMA STEEL TUBES LIMITED**  
**CIN: L27201DL1974PLC007114**  
**Regd. Office: No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110 092.**

**ATTENDANCE SLIP**  
**41<sup>st</sup> Annual General Meeting**

Regd. Folio/DP & Client ID No.:..... No. of Shares Held:.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 41<sup>st</sup> Annual General Meeting of the Company at its Registered Office on Tuesday, September 29, 2015 at 11:30 a.m.

Member's Name : .....

Proxy's Name : ..... Member's/Proxy's Signature

- Note : 1. Please fill this attendance slip and hand over at the entrance of the meeting hall.  
 2. Members/Proxy Holders/Authorized Representative are requested to show their Photo ID Proof for attending the meeting.

**RAMA STEEL TUBES LIMITED**  
**Regd. Office: No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110 092.**  
**CIN: L27201DL1974PLC007114**

**PROXY FORM**

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

Name of the member(s): Registered address:	E-Mail Id: Folio No/Client Id & DP ID :
---	--

I/We, being member(s) holding.....shares of the above named company, hereby appoint

1. Name :..... Address.....  
 Email ID : ..... Signature.....or failing him

2. Name :..... Address.....  
 Email ID : ..... Signature : .....or failing him

3. Name :..... Address.....  
 Email ID : ..... Signature : .....as my/our

proxy to attend and vote (on poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Company to be held on Tuesday, September 29, 2015 at 11:30 a.m..and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No	Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of financial statements		
2.	Appointment of Director in place of those retire by rotation		
3.	Appointment of Statutory Auditors		
<b>Special Business</b>			
4.	Re-appointment of Mr. Naresh Kumar Bansal as Managing Director		
5.	Appointment of Mr. Bharat Bhushan Sahny as an Independent Director		
6.	Appointment of Mr. Rajendra Prasad Khanna as an Independent Director		
7.	Appointment of Ms. Hannya Dhir as an Independent Director		
8.	Approval of remuneration of the Cost Auditors for the financial year ending March 31, 2015 and March 31, 2016		
9.	To Borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company		
10.	To increase in terms of remuneration of Mr. Richi Bansal, Executive Director of the Company		

Signed this .....day of .....2015

Signature of the Proxy holder(s)

Signature of the shareholder

Affix  
revenue  
stamp of  
Re. 1

**Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**Disclaimer:**

This Annual Report contains 'forward-looking statements', that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the 'Outlook, risks and concerns' section in this Annual Report. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements to reflect future events or circumstances unless required to do so by law.



# Rama Steel Tubes Ltd.

CIN L27201DL1974PLC007114

No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092.

[www.fence-steeltubes.com](http://www.fence-steeltubes.com)





AN ISO 9001 : 2008 CO.

# Rama Steel Tubes Ltd.

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

CIN No. : L27201DL1974PLC007114

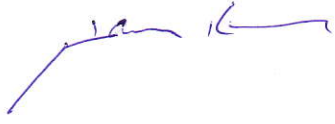


Regd. Office

No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092 Ph. : 011-43656667, 43656668 Fax : 011-43656699

E-mail : info@ramasteel.com, info@fence-steeltubes.com, Website : www.fence-steeltubes.com

## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	<b>RAMA STEEL TUBES LIMITED</b>
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable as the report is unqualified
5.	To be signed by-	
	Mr. Naresh Kumar Bansal (Managing Director)	
	Mr. Rajkumar Malik (Chief Financial Officer)	
	Mr. Vipin Aggarwal (Auditor of the Company)	
	Mr. Bharat Bhushan Sahny (Audit Committee Chairman)	