



AN ISO 9001 : 2008 CO.

# Rama Steel Tubes Ltd.

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

CIN : L27201DL1974PLC007114

Regd. Office

No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092 Ph. : 011-43656667, 43656668 Fax : 011-43656699  
E-mail : investors@ramasteel.com, info@ramasteel.com, Website : www.ramasteel.com

Date: October 8, 2016

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

**Sub: Submission of Annual Report 2015-16 under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2015-16 approved and adopted by the members as per the Provisions of the Companies Act, 2013 at the 42<sup>nd</sup> Annual General Meeting of the Company held on Friday, September 30, 2016 at 11.30 a.m. at Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi 110092.

You are requested to take the same on your records.

Yours faithfully

For Rama Steel Tubes Limited

  
(Kapil Datta)  
Company Secretary





# Rama Steel Tubes Ltd.



GROWTH

## 42<sup>nd</sup> ANNUAL REPORT 2015-16

GROWTH STEEL  
SOLID COMMITMENT



RAMA STEEL TUBES LTD.  
CIN: L27201DL1974PLC007114







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

**Sh. Harbans Lal Bansal**, a dynamic leader and a person with great vision, was the founder Promoter of RAMA.

Born in Punjab in an average family, In Mid-60s after moving to Delhi he made a self-effacing beginning by setting a trading firm in pipes and other steel products. Within 5 Years' time, he propelled the company into accomplishing many firsts and set up industry benchmarks on several fronts, with this achievement he became a name of fame in the Steel Pipe Industry. He started being recognized as the symbol for quality and trust. He guided the company through a period of stabilization and leadership transition.

Buoyed by the success in trading he decided to set up his own manufacturing unit. Backed by strong family members support, RAMA STEEL TUBES LIMITED (RSTL) came into existence in the Year 1974. Started its first manufacturing Unit at Sahibabad in the Year 1981. Post which he did not see back and kept expanding his business empire. Under his able leadership, 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 kind-heartedness and supporting them through thick & thin.

A dynamic leader with great vision. Sh. Harbans Lal Bansal's stewardship & valuable guidance has led the Company to achieve its prestigious name and 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 manufacture in steel tube industry on the strenghts of our quality and strenght.  
To serve the satisfaction of our customers by producing products that are symbols of durable exllence.  
To add every possible value in the service in pursuit of a stronge and long term bonds with our customers.

# RAMA STEEL TUBES LTD.

“**Rama Steel Tubes Limited**” was incorporated in the year 1974 at Delhi. Under dynamic leadership and great visionary of Sh. Harbans Lal Bansal, founder and promoter with vast experience of over five decades in the industry of steel pipes and tubes. Sh. Harbans Lal Bansal’s stewardship & valuable guidance has led the Company to achieve its prestigious name and position in “Steel Tube” Industry today.

Initially in 1981, Set up a unit 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 approximately 10 kms from the National Capital of India Delhi with good connectivity to both road & rail transport. In the year 1984, increased the installed capacity to 25,000 metric tonnes which further increased to 75,000 metric tonnes in the year 1992.

In the year 1987, Rama Steel started another plant to manufacture galvanized black pipes. Received contracts and orders from D.G.S&D and several other government departments.

In the year 1990, In addition to the IS-1239 and IS-1161, Rama Steel started manufacturing larger dia Pipes as per IS-3589 & IS-4270 under the able guidance of qualified technical team, mandatory to manufacture the steel pipes. 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.

Within close proximity to our previous plant, Company set up another plant at B-5, Industrial Area Site No. 4, Sahibabad (Uttar Pradesh) in the year 2001, to manufacture 24,000 MT p.a.

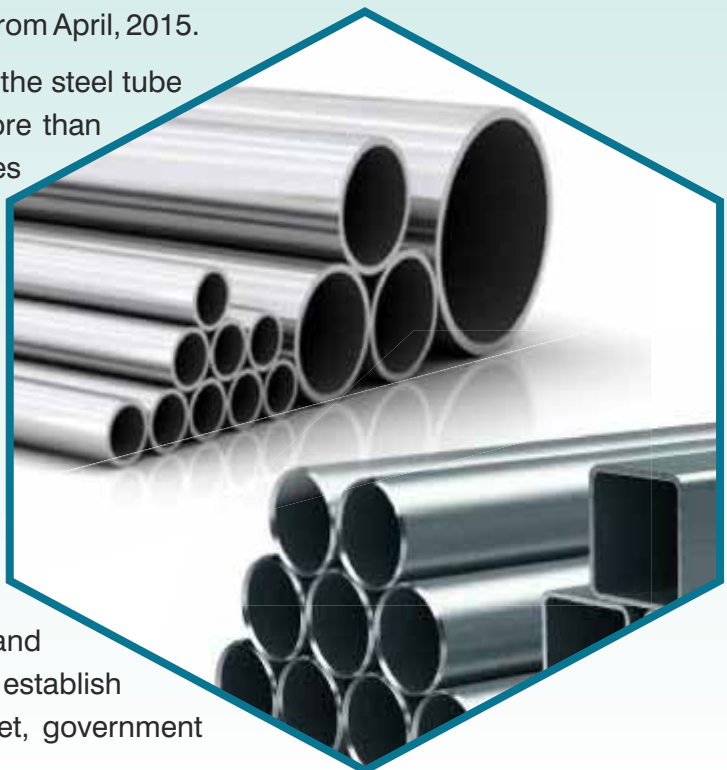
To improve profitability and to enter in the western region, established one more plant at Khapoli, Distt. Raigad, Maharashtra (Near Navi Mumbai) with an initial installed capacity of 36,000 metric tonnes per annum. This has been fully utilized and we have now doubled the capacity to 72,000 metric tonnes per annum in July, 2016. Initial production started from April, 2015.

We now enjoy an established brand name in the steel tube industry across region with a turnover of more than Rs. 243 crores per annum and a strong sales network comprising of dealers, distributors and stockiest in all parts of the country.

For those who never compromise with the quality and strength, our products have become a symbol of excellence and first choice.

In the last decade, we have also entered into international markets with exports of galvanized pipes.

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.



# CHAIRMAN'S SPEECH



## *Dear Fellow Shareowners*

It gives me immense pleasure to write to you after a satisfactory year. I am delighted to share with you the highlights of our Company's performance for the year 2015-16.

### **The Year that was**

The industry performed well during the five-year period to 2016, driven by strong exports and rising demand from the domestic energy, residential and non residential construction and water infrastructure markets. As per World Steel Organization, the global demand for steel pipes is projected to advance 3.5% annually through 2019 to 79.7 million metric tons. India's steel demand is expected to reach 88.3 MT in 2017. We expect that India will see strong growth driven by acceleration in construction spending and expansion in its manufacturing sector. India's prospects are bright due to low oil prices, the momentum in reforms and policy changes, which will lead to increase in infrastructure spend and manufacturing output.

The year ending March 31st 2016 was pretty significant for us and we have taken steps in line with our vision to become a pan India Company. The Khopoli plant, with capacity of 36,000MT, marked the beginning of this endeavour. The total installed capacity of all three plants, at the end of the financial year, stood at 96,000 MT. These have helped us achieve a strong growth in our volumes and revenues.



We are happy to inform you that this is a highly efficient plant and our products from this plant, have received an overwhelming response from the Maharashtra market, leading to a very healthy capacity utilisation rate of over 75% in the first nine months of its operations itself. The Khopoli plant has given us an advantage due to its proximity to the key growing markets of Maharashtra and Gujarat, bringing down the logistics costs, improving operational efficiencies, leading to growth in overall margins.

Last year, we also expanded our dealer network in the western region, and today our Company's distribution network stands at over 200 direct dealers. Our plan is to add direct dealers, strengthening our distribution network and direct channels in India and overseas.

Our asset-light approach has enabled us to take progressive decisions at a faster pace and that has given us ample space to grow our business at the least possible capital requirement. Today we take pride in being a Company having the lowest cost of capital investment.

It has been our constant efforts to improve upon efficiencies and innovate in the process. This has resulted in bringing greater variety of products to the table. Innovation is an ongoing process where we focus on creating a well diversified and value added suite of products.

### Business Performance

The consolidated financial performance for the 12 months ending March 2016 is as follows :

- The total revenue from operations at Rs. 243 Cr for the year ended March 2016 as against Rs. 193 Cr for the year ended March 2015, a growth of 26%, as a result of the starting of a new manufacturing facility at Khopoli.
- EBITDA at Rs. 16 Cr for the year ended March 2016 as against Rs. 6.5 Cr for the year ended March 2015 a growth over 143% on account of better margins, which improved to 6.55% from 3.39% for respective years.
- The Profit After Tax stood at Rs. 6 Cr for the year ended March 2016 versus a Profit After Tax of Rs. 0.70Cr in the previous year resulting in a growth of 768%.
- The Company had, in the year ending March 31 2016, split the shares to face value of Rs. 5 from the earlier Rs. 10 and issued 4 bonus shares for every share held resulting in the total equity capital going up by 5 times to Rs. 7.47 Cr from Rs. 1.49 Cr. This led to EPS decline by around 11% to Rs. 4.04 per in the year March 31 2016 share from Rs. 4.56 per share in the year March 31 2016.

### Future Plans

In the last year, we took our first steps towards our vision of being a pan India player.

After the initial successful experience of the first stage of production at the plant in Khopoli, we have already put in place a second line of pipe in July 2016 with a capacity of 36,000 MT, doubling our capacity to 72,000 MT at this location. We see the demand-supply scenario favourably tilted to our side and we seek to use this opportunity to expand our operations further. Thereafter we plan to grow the capacity further at this location as our products have been well received here. This enables us to overcome high logistics cost both from the port and the intended market.

We also see South India to be a very lucrative market for us and there is a significant demand- supply opportunity. The demand far outstrips supply in the South. Very few players cater to the demand there and the rest is fulfilled by imports. With the high logistics cost the pipes cannot be transported from Northern India. We have already chalked out plans to take advantage of these opportunities. The shareholders and stakeholders of Rama Steel will witness a very exciting phase of the company's growth period going ahead.

On the balance sheet front we are committed towards a leaner balance sheet. In this regards, we plan to reduce the debt on the books going forward and keep the debt equity mix as low as possible. Also our approach towards achieving greater efficiencies would result in better profitability for the company.

I thank you all for your immense support and continued confidence in the Management of our Company. I would like to convey my gratitude our stakeholders – customers, employees, partners, shareholders, business associates and society at large, for their consistent faith in us. We seek the cooperation of all stakeholders to make the journey even more exciting and rewarding, going forward.

*with warm regards,*

Naresh Kumar Bansal  
Chairman & Managing Director





## BOARD OF DIRECTORS



**Naresh Kumar Bansal**  
Chairman & Managing Director

**Mr. Naresh Kumar Bansal**, is the Chairman & Managing Director of the Company. A graduate in law, his extensive entrepreneurial skills and dynamism has enabled the company to evolve and grow over the years. He 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 is always available to guide the various departmental heads and oversees the production & planning departments of the Company. His financial skills make him a complete leader. He is responsible for the Financial Planning and fund-raising for the company.



**Richi Bansal**  
Director

**Mr. Richi Bansal**, is the Director and CEO of the company. He brings with him the clarity and vision of Mr. Naresh Bansal combined with the ambition and motivation of the modern generation. He is a B. Sc (Hons.) in Management from Bradford University, U.K. and did his internship from a reputed company called BIE (Marketing & Advertising). His professional approach is all pervasive and has resulted in an overall transformation in approach. He is incharge of the Marketing department of the Company and is instrumental in taking the products of the Company to overseas markets. He is open to experiment and keeps exploring new avenues to augment the turnover of the company. His able guidance and motivated leadership is likely to transform into handsome growth in the topline of the company.



**Bharat Bhushan Sahny**

**Non-Executive Independent Director**

**Shri Bharat Bhushan Sahny** is the Independent Non Executive Director of our Company. He is a graduate in Commerce from the prestigious 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". He was instrumental in the starting of the Online Trading on "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.



**Rajendra Prasad Khanna**

**Non-Executive Independent Director**

**Mr. Rajendra Prasad Khanna**, 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.



**Hannya Dhir**

**Non-Executive Independent Director**

**Ms. Hannya Dhir**, 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.

## 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.: 011-4365667, 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

# 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. Hannya 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

## 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  
Email Id: ashok@bigshareonline.com  
Fax No.: 022-28475207

## 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

## BANKERS

Canara Bank  
Punjab National Bank  
HDFC Bank Limited

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# DIRECTORS' REPORT

## 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, 2016.

### FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Gross Turnover	24194.89	19244.01	21545.58	19244.01
Other Income	308.24	264.42	307.80	264.42
Total Revenue	24503.13	19508.43	21853.38	19508.43
Profit before Interest, Depreciation and tax	1765.83	840.35	1670.86	840.35
Financial Expenses	618.39	527.46	616.33	527.46
Depreciation	284.81	226.18	284.77	226.18
Profit before tax	862.63	86.71	769.76	86.71
Provision for taxation	260.30	18.06	260.30	18.06
Profit after tax	602.33	68.65	509.46	68.65

### COMPANY'S PERFORMANCE

RAMA, on a standalone basis achieved 12% growth in its net sales to 21,545.58 lakhs in 2015-16 as against 19,244.01 lakhs in 2014-15. The sale growth in value terms was impacted by drop in commodity prices during the year 2015-16.

The operating profit before finance costs, depreciation and tax grew by 99% to ₹1,670.86 lakhs in financial year 2015-16 as compared to ₹840.35 lakhs in financial year 2014-15.

Profit after tax was ₹509.46 lakhs in year 2015-16 as compared to ₹68.65 lakhs of preceding year.

### DIVIDEND

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

### EQUITY SHARE CAPITAL

Your Board of Directors recommended sub-division of Equity Shares of ₹10/- each into two Equity Shares of ₹5/- each and Bonus shares in the ratio of 4:1 which was approved by the shareholders in the Extra ordinary General Meeting held on March 1, 2016. Accordingly, the Equity Shares of face value of ₹10/- each were sub-divided into two Equity Shares of face value of ₹5/- each by way of corporate action to the shareholders who held the shares on the Record Date March 15, 2016. Further, bonus shares in the ratio of 4:1 were allotted to the members who held the equity shares on the Record Date i.e., March 15, 2016 by capitalization of balance in the Free Reserves amounting to ₹5,97,36,000/-.

Consequently the issued, subscribed and paid-up equity share capital has increased from ₹1,49,34,000 divided into 14,93,400 Equity shares of ₹10/- each to ₹7,46,70,000 divided into 1,49,34,000 Equity shares of ₹5/- each.

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

### SUBSIDIARY COMPANY

The Company has 1 subsidiary as on March 31, 2016. There has been no material change in the nature of business of the 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. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment of Directors:

Mr. Surender Kumar Sharma (DIN - 03594435) was appointed as Additional Director (Executive Director) of the Company with effect from 4<sup>th</sup> May 2016.

### Retirement by Rotation:

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

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

### Committees of the Board of Directors:

The Company has constituted the following committees in compliance with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

1. Audit Committee,
2. Nomination and Remuneration Committee and
3. Stakeholders Relationship Committee

The Board has accepted all the recommendations of the above committee(s).

## 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, 2016, 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

Eleven 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 30 to the Standalone financial statement which sets out related party disclosures. The particulars of contracts and arrangements entered into by the company with related parties referred to in Section 188 in Form AOC-2 is attached herewith as Annexure- II.

### AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At 41st AGM held on September 29, 2016, M/s. VAPS & COMPANY, Chartered Accountants, were appointed as statutory auditors of the company to hold office till the conclusion of the AGM to be held for the financial year 2017-18. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. VAPS & COMPANY, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

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 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 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 2015-16.

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

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

### LOANS, GUARANTEES AND INVESTMENTS

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

### INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2015-16.

### BOARD EVALUATION

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

### PARTICULARS OF EMPLOYEES RELATED DISCLOSURES

a. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below :

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

Non-executive directors	Ratio to median remuneration
Mr. Bharat Bhushan Sahny	N.A.
Mr. Rajendra Prasad Khanna	N.A.
Ms. Hannya Dhir	N.A.

Executive Directors	Ratio to median remuneration
Mr. Naresh Kumar Bansal	17.82
Mr. Richi Bansal	13.32

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

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Bharat Bhushan Sahny	N.A.
Mr. Rajendra Prasad Khanna	N.A.
Ms. Hannya Dhir	N.A.
Mr. Naresh Kumar Bansal, Managing Director	8.57%
Mr. Richi Bansal, Executive Director	24.20%
Mr. Rajkumar Malik, Chief Financial Officer	12.71%
Mr. Kapil Datta, Company Secretary	NIL

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

c. **The percentage increase in median remuneration of employees in the financial year: 28.21 %**

d. **The number of permanent employees on the rolls of Company : 150**

e. **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.**

f. **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.**

g. **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 27.15%.

Increase in the managerial remuneration for the year was 29.63%.

h. The Company affirms that the remuneration is as per remuneration policy of the Company.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no such employee drawing remuneration in excess of the limits set out in the said rules and are required to be disclosed.

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

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

### A) CONSERVATION OF ENERGY :

- a) The Company has always been particular to conservation of energy on continuous basis by closely monitoring energy consuming equipment involving use of energy generating diesel set and power purchased from Electricity Board e.g. size of the Equipments is optimum to save energy. The low-efficient Machinery and Equipments are identified and replaced.

- b) Keeping in view the nature of the manufacturing process no additional investment is proposed and hence further consumption of energy is ruled out in the near future.
- c) No specific studies regarding impact of the above measures of (a) and (b) have been carried out and the cost impact of energy cost and energy saving measures on cost of production of goods is not material, as it forms a very low percentage vis-a vis the cost of Company's product.
- d) Total energy consumption and energy consumption per unit of production is given as per Form-A.

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

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

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

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

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

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

		( ₹ in Lacs)	
		Current year	Previous year
a)	<b>Total Foreign Exchange Earning</b>	3105.43	7911.52
b)	<b>Total Foreign Exchange Outgo</b>	2073.12	66.54



FORM 'A'

POWER AND FUEL CONSUMPTION

(Amount in ₹)

		Current year	Previous year
1.	Electricity		
	(a) Purchased Unit	4340642	2974031
	Total amount (in Rs.)	34943043	23435361
	Rate/unit	8.05	7.88
	(b) Own generation		
	Through Diesel Generator Unit	182636	362976
	Unit per Litre of Diesel Oil	4.61	4.56
	Total Amount (in Rs.)	1932286	4088046
	Cost/Unit	10.58	11.26
2.	Furnace Gas Quantity(Sq.Cubic Mtr)	-	332539
	Total Amount (in Rs.)	-	15486194
	Average Rate Rs./sq.cubic Mtr.	-	46.57
3.	Furnace Oil Quantity(litres)	255124	-
	Total Amount (in Rs.)	5668602	-
	Average Rate Rs./litre	22.22	-

CONSUMPTION PER UNIT OF PRODUCTION

NAME OF PRODUCT	UNIT	ELECTRICITY (UNIT)		FURNACE OIL/GAS (LITRE/SQ. CUBIC MTR)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Black Steel Tubes/Pipes	Per Ton	72.51	74.73	-	-
Galvd. Steel Tubes/Pipes	Per Ton	76.84	79.21	25.39	19.59

\*Current year consumption is in Litre(Furnace Oil) and in previous year the consumption is in sq. cubic mtr(Furnace Gas)

ACKNOWLEDGEMENT

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

Place: Delhi  
Date: August 10, 2016

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

Annexure - I

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2016**

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

**I. REGISTRATION & OTHER DETAILS:**

1	<b>CIN</b>	L27201DL1974PLC007114
2	<b>Registration Date</b>	26.02.1974
3	<b>Name of the Company</b>	Rama Steel Tubes Limited
4	<b>Category/ Sub-Category of the Company</b>	Public Company
5	<b>Address of the Registered office and contact details</b>	No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi – 110092 Contact No. 011-43656667, 43656668 FAX No.- 011-43656699, Email - info@ramasteel.com; investors@ramasteel.com Website-www.ramasteel.com
6	<b>Whether listed company</b>	Yes
7	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	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
1	RST INTERNATIONAL TRADING, FZE DUBAI	-	Wholly owned Subsidiary	100	2(87)(ii)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01-April-2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% of 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	1104300	0	1104300	73.95	11043000	0	11043000	73.95	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	1104300	0	1104300	73.95	11043000	0	11043000	73.95	0.00
<b>(2) Foreign</b>									0.00
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub -total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) = (A)(1) + (A)( 2)</b>	1104300	0	1104300	73.95	11043000	0	11043000	73.95	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	49621	0	49621	0.33	0.33
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	0	0	0	0.00	49621	0	49621	0.33	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00	699278	699278	0	4.68	4,68
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	192750	184350	377100	25.25	802783	837000	1639783	10.98	(14.27)
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	12000	0	12000	0.80	886764	183000	1069764	7.16	6.36

c) Others (specify)									
Non Resident Indians	0	0	0	0.00	56893	56893	0	0.38	0.38
Clearing Member	0	0	0	0.00	375661	375661	0	2.52	2.52
<b>Sub-total (B)(2):-</b>	204750	184350	389100	26.05	2821379	1020000	3841379	25.72	0.00
<b>Total Public</b>	204750	184350	389100	26.05	2871000	1020000	3891000	26.05	0.00
<b>Shareholding (B)= (B)(1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs Promoter &amp; 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>	1309050	184350	1493400	100.00	13914000	1020000	14934000	100.00	0.00

**B) Shareholding of Promoter-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Naresh Kumar Bansal	742800	49.74	0.00	7428000	49.74	0.00	0.00
2	Kumud Bansal	54000	3.62	0.00	540000	3.62	0.00	0.00
3	M/s Naresh Kumar & Sons (HUF)	18000	1.21	0.00	180000	1.21	0.00	0.00
4	Richi Bansal	129300	8.66	0.00	1293000	8.66	0.00	0.0
5	Krati Bansal	30000	2.01	0.00	300000	2.01	0.00	0.00
6	Nikhil Naresh Bansal	126600	8.48	0.00	1266000	8.48	0.00	0.00
7	Kanika Bansal	3600	0.24	0.00	36000	0.24	0.00	0.00

**C) Change in Promoters' Shareholding**

Sl. No.	Shareholder's Name	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>				
	<b>At the beginning of the year</b>	<b>742800</b>	<b>49.74</b>		
	Sub-division of face value of shares from Rs.10/- to Rs.5/-	1485600	49.74		
	Bonus shares issued in ratio of 4:1	5942400	49.74	7428000	49.74
	<b>At the end of the year</b>			<b>7428000</b>	<b>49.74</b>
<b>2</b>	<b>Kumud Bansal</b>				
	At the beginning of the year	54000	3.62		
	Sub-division of face value of shares from Rs.10/- to Rs.5/-	108000	3.62		
	Bonus shares issued in ratio of 4:1	432000	3.62	540000	3.62
	<b>At the end of the year</b>			<b>540000</b>	<b>3.62</b>



<b>3 Naresh Kumar &amp; Sons (HUF)</b>				
<b>At the beginning of the year</b>	<b>18000</b>	<b>1.21</b>		
Sub-division of face value of shares from Rs.10/- to Rs.5/-	36000	1.21		
Bonus shares issued in ratio of 4:1	144000	1.21	180000	1.21
<b>At the end of the year</b>			<b>180000</b>	<b>1.21</b>
<b>4 Richi Bansal</b>				
<b>At the beginning of the year</b>	<b>129300</b>	<b>8.66</b>		
Sub-division of face value of shares from Rs.10/- to Rs.5/-	258600	8.66		
Bonus shares issued in ratio of 4:1	1034400	8.66	1293000	8.66
<b>At the end of the year</b>			<b>1293000</b>	<b>8.66</b>
<b>5 Krati Bansal</b>				
<b>At the beginning of the year</b>	<b>30000</b>	<b>2.01</b>		
Sub-division of face value of shares from Rs.10/- to Rs.5/-	60000	2.01		
Bonus shares issued in ratio of 4:1	240000	2.01	300000	2.01
<b>At the end of the year</b>			<b>300000</b>	<b>2.01</b>
<b>6 Nikhil Naresh Bansal</b>				
<b>At the beginning of the year</b>	<b>126600</b>	<b>8.48</b>		
Sub-division of face value of shares from Rs.10/- to Rs.5/-	253200	8.48		
Bonus shares issued in ratio of 4:1	1012800	8.48		
<b>At the end of the year</b>			<b>1266000</b>	<b>8.48</b>
<b>7 Kanika Bansal</b>				
<b>At the beginning of the year</b>	<b>3600</b>	<b>0.24</b>		
Sub-division of face value of shares from Rs.10/- to Rs.5/-	7200			
Bonus shares issued in ratio of 4:1	28800		36000	0.24
<b>At the end of the year</b>			<b>36000</b>	<b>0.24</b>

Note : The total number of shares has increased due to sub-division of one equity shares of ₹ 10/-each into 2 equity shares of ₹ 5/- each and issuance of bonus shares in March 2016 in the ratio 1:4(for every one share, 4 shares were allotted)

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

S. No.	Name of Shareholders (Top 10 Shareholders)	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SHRI PARASRAM HOLDINGS PVT.LTD.	0	0.00	176300	1.18
2	SHARE INDIA SECURITIES LIMITED	0	0.00	165609	1.11
3	SANGEETA PAREEKH	0	0.00	144000	0.96
4	DINESH PAREEKH	0	0.00	111000	0.74
5	SALASAR TECHNO ENGINEERING PRIVATE LIMITED	0	0.00	110000	0.74
6	RAMESH CHANDU KOTI	0	0.00	91350	0.61
7	SUMPOORNA PORTFOLIO LIMITED	0	0.00	80000	0.53
8	AMIT SUREKA	0	0.00	78000	0.52
9	PUNE E STOCK BROKING PVT. LTD.	0	0.00	76171	0.51
10	GAURAV LAMBA	0	0.00	72000	0.48

Note:

- 1.Top ten shareholders of the Company as on March 31, 2016 has been considered for the above disclosure.
- 2.The shares of the Company are traded on a daily basis and hence the datwise increase/decrease in shareholding is not indicated.

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theYear	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	<b>Naresh Kumar Bansal</b>				
	<b>At the beginning of the year</b>	<b>742800</b>	<b>49.74</b>		
	Sub-division of face value of shares from Rs.10/- to Rs.5/-	1485600	49.74		
	Bonus shares issued in ratio of 4:1	5942400	49.74	7428000	49.74
	<b>At the end of the year</b>			<b>7428000</b>	<b>49.74</b>
2	<b>Richi Bansal</b>				
	<b>At the beginning of the year</b>	<b>129300</b>	<b>8.66</b>		
	Sub-division of face value of shares from Rs.10/- to Rs.5/-	258600	8.66		
	Bonus shares issued in ratio of 4:1	1034400	8.66	1293000	8.66
	<b>At the end of the year</b>			<b>1293000</b>	<b>8.66</b>

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	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>
<b>Change in Indebtedness during the financial year</b>				
* Addition	228.94	279.59	NIL	508.53
* Reduction	241.82	32.48	NIL	274.30
Net Change	(12.88)	247.11	NIL	234.23
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5359.93	348.64	NIL	5708.57
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>5359.93</b>	<b>348.64</b>	<b>-</b>	<b>5708.57</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
		Mr. Naresh Kumar Bansal, MD		Mr. Richi Bansal, Director	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	22.20	22.20	15.00	15.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.40	0.40
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total (A)	22.60	22.60	15.40	15.40
	Ceiling as per the Act	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)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Bharat Bhushan Sahny	Mr. Rajendra Prasad Khanna	Ms. Hannya Dhir	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	0.60	0.65	0.80	2.05
	Remuneration by way of Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.60</b>	<b>0.65</b>	<b>0.80</b>	<b>2.05</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>				2.05
	<b>Total Managerial Remuneration Total=(A+B)</b>				<b>40.05</b>

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.08	7.88	10.96
	(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>	<b>3.08</b>	<b>7.88</b>	<b>10.96</b>

**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.**

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

Place: Delhi  
Date: August 10, 2016

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

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[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**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 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, 2016 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;
  - (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. **(Applicable w.e.f. 01.07.2015)**
- (ii) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, (erstwhile Listing Agreement) entered into by the Company with Bombay Stock Exchange Limited and & National Stock Exchange of India Limited.

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

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

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

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

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

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

We further report that during the audit period the Company obtained consent of shareholders by way of Special resolution in its Annual General meeting/Extra Ordinary General Meeting in respect of following matters:

- i. Re-Appointment of Mr Naresh Kumar Bansal as Managing Director
- ii. To Borrow Money in excess of the Aggregate of the paid-up share capital and free reserve of the Company.
- iii. To Increase in terms of Remuneration of Mr Richi Bansal, Executive Director of the Company.
- iv. Alteration of Capital clause of Memorandum of Association.
- v. 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 10, 2016

### Annexure to the Secretarial Audit Report

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

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal, Registered Office and Publication of name of the Company;
3. Forms, Returns, Documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board and such other authorities;
4. Service of documents by the Company on its Members, Directors, Auditors and Registrar of Companies;
5. Constitution of the Board, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee;
6. Appointment, Re-appointment, Retirement of Directors including Whole Time Directors and payment of remuneration.
7. Disclosure of Interest and Concerns in Contracts and Arrangements, Shareholdings and Directorships in other Companies and interest in other entities by Directors and Key Managerial Personnel;
8. Disclosures requirements in respect of their eligibility for appointment, declaration of their independence, compliance with the code of conduct for Directors of Rama Steel Tubes Limited;
9. Related party transactions which were in the ordinary course of business and at arm's length basis and were placed before the Audit Committee for their review/approval as and when required;
10. Formulation and adopting Nomination and Remuneration Policy;
11. Appointment and remuneration of Statutory Auditors;
12. Notice of the meetings of the Board and Committees thereof;
13. Minutes of the meeting of the Board and Committees thereof;
14. Notice convening Annual General Meeting held on September 29, 2015 and holding of the meeting on that date;
15. Minutes of General Meeting;
16. Approval of the Members, Board of Directors, Committees of Directors and Government Authorities wherever required;
17. Form of the Balance Sheet as at March 31, 2015 as prescribed under part I of schedule III of the Companies Act, 2013 and requirements as to Profit & Loss Account for the year ended on that date as per Part II of the said schedule;
18. Report of the Board of Directors for the financial year ended March 31, 2015;
19. Transfer of Equity and Preference Shares and issue and delivery of share certificates;
20. Borrowings and registration of charges;
21. Investment of Company's funds and inter-corporate loans and investments.



Annexure - IV

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

S. No.	Employee Name	Designation	Education Qualification	Age	Experience (in years)	Date Joining	Remuneration (in Rs.)	Last Employment
1	Mr. Naresh Kumar Bansal	Chairman and Managing Director	Law Graduate	62	35	26-02-1974	2,259,600	-
2	Mr. Richi Bansal	Director	B.Sc(H) in Management from Bradford University, U.K.	36	9	01-05-2007	1,239,600a	-
3	Mr. Rajkumar Malik	Chief Financial Officer	B.com, FCA	50	26	11-02-2009	788,400	FIEM INDUSTRIES LIMITED
4	Mr. D. R. Kamra	President-Exports	Graduate	68	40	01-01-2000	782,400	AJANTA TUBES LIMITED
5	Mr. Ravinder Tiwari	Sr. Vice President-Marketing	Graduate	46	22	03-01-2016	669,972	APL APOLLO TUBES LIMITED
6	Mr. Om Pal Vig	GM Operations	M.Sc	55	30	15-10-2015	484,200	BHUSHAN STEEL LIMITED
7	Mr. Rajesh Kumar	VP Commercial	Graduate	52	28	10-03-1992	392,400	PARAS ELECTRICALS PRIVATE LIMITED
8	Mr. Jiya Lal	Production Manager	Graduate	50	30	01-03-2012	368,400	LLOYDS TUBES AND PIPES LIMITED
9	Mr. C P Singh Yadav	Manager	Graduate	53	20	01-12-2006	366,000	SURYA ROSHINI LIMITED
10	Mr. Kapil Datta	Company Secretary	B.com, ACS	26	2	01-09-2014	308,400	-



# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Disclaimer

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.

### Economic Scenario

Amongst the emerging market economies, India's macro-economic scenario has strengthened and the country is best positioned to gain global investor's concentration. India's improved economic fundamentals have accelerated coupled with the combined impact of a strong Government at Centre and RBI's focus towards various inflation related policies.

India remains a bright spot in IMF's global economic forecast. IMF retained India's growth forecast for 2016-17 at 7.5% but lowered global growth forecast to 3.2% in 2016. It further states that the world economy will grow at 3.2% in 2016 and 3.5% in 2017, lowering its earlier projection by 0.2% and 0.1% respectively. At times when global growth is facing increasing downside risks, India is set to beat China and become fastest growing major economy in 2016-17. Global growth is expected to strengthen from 2017 aided by the steady increase in the global weight of fast-growing countries like China and India.

Even global rating agency Fitch has shown more optimistic views on India's growth prospects, projecting a 7.7% growth in 2016-17. (Source –IMF Report 2016)

### Steel Tube Industry:- Developing Nations Continue to Drive Demand for Steel Pipe (Source –Market Research.com)

The global demand for steel pipe is projected to advance 3.5% annually through 2019 to 79.7 million metric tons. Construction activity in China and some other developing countries has slowed since last few year.

India will see strong improvement in growth driven by acceleration in construction spending and expansion in its manufacturing sector. India's prospects are bright due to low oil prices, the reform momentum and policies to increase infrastructure spending and manufacturing output. India's steel demand will increase by 5.4% in both 2016 and 2017 reaching 88.3 Mt in 2017.

Construction expenditures boost demand for steel pipe, as well as demand for steel pipe used in structural applications. Manufacturing output supports demand for structural, mechanical, and original equipment manufacturing steel pipe which made up 32% of the total in 2014 and saw strongest growth in last few years, while investment in manufacturing facilities drives demand for industrial steel pipe. It is expected to continue to see the most rapid growth of any market going forward, boosted by global manufacturing output, especially in developing markets.

The construction market for steel pipe experienced slower growth in last few years. However it is expected to see accelerated growth going forward as construction activity improves in developed regions such as Western Europe and continues to experience strong growth in many developing countries.

Industrial processing and other market for steel pipe accounted for 4% of total global demand in terms of volume, with growth supported mostly by continued investment in process manufacturing activity. Construction of new manufacturing plants, particularly in developing regions, will be a major supporter of growth.

### Company Overview

Business environment has become challenging coupled with volatility in steel prices, higher competitive intensity, reduced access to capital markets and consolidation in oil & gas sector. However, opening up of new markets and strong domestic pipe demand provide a significant growth opportunity. Despite challenges, we remain positive on the long-term demand outlook on both domestic and international front.

The Company is a pioneer and amongst leading manufacturers of Steel Pipes & Tubes and G.I. Pipes in India. We started a new manufacturing facility at Khopoli in Maharashtra to expand in western India region. With this we have three manufacturing facilities - two at Sahibabad and one at Khopoli. The total installed capacity stood at 96,000 MT. The key products in portfolio include Galvanized Tubes, ERW Black Steel Pipes & Tubes, Scaffolding Pipes & Tubes, Structural Steel Products and Hollow Sections.

We rejuvenated our dealer network in the western region, for the supply of our products from the Khopoli plant, where we have got a tremendous response. The company's distribution network stood at over 200 direct dealers.

### Operational & Financial Highlights – Fy16

In the financial year ended March 31, 2016, the Company recorded sales of Rs. 243.28 cr compared to Rs. 193.21 cr last fiscal, a growth of 26%. The growth was on account on new facility at Khopoli catering to the high growth markets of Western India. The EBITDA grew from Rs. 6.55 cr to Rs.15.94 cr with margins of 6.6%, expansion of 316 bps. Profit After Tax was at Rs. 6.07 cr compared to Rs. 0.70 cr last year, a growth of 767%. We remain focused towards the debt reduction exercise and this is evident from the fact that we have brought down the debt to equity mix by a factor of 0.5x in FY16.

The Company had, in the year ending March 31, 2016, split the shares to face value of Rs. 5 from the earlier Rs. 10 and issued 4 bonus shares for every share held resulting in the total equity capital going up by five times to Rs. 7.47 Cr from Rs. 1.49 Cr. This led to EPS decline by around 11% to Rs. 4.04 per share in the year March 31, 2016 share from Rs. 4.56 per share in the year March 31, 2015.

### Strong Distribution Network

The Company has a strong network of over 200 direct dealers which has enabled us to reach deeper into the markets. Our strong brand name in the Western Region gave us a very smooth entry into that market. At the same time, a lot many dealers are in talks with us and we believe that the network will grow at a faster pace.

### Risk Factors

The Company regularly visits the inherent business risks and find necessary and suitable solutions to mitigate the risk. We have formed necessary committees comprising of directors to review such business risk and its mitigation. The business and operational risks are Volatility in Foreign currency, Risk on financial markets resulting in difficulties in raising of funds for the Company, Raw material pricing risk, Change in taxation or any other policy of Government of India, Interest rate risks, risks due to stress in construction, real estate and infrastructure sectors.

### Strengths and Opportunities

**Prestigious Market Position:-** Industry presence since four decades with dedicated and disciplined functioning

**Global and Domestic Presence:-** Catering to overseas clientele across globe along with domestic market

**Raw Material Sourcing:-** Close proximity to SAIL and other big steel suppliers

**Esteemed Clientele:-** Diversified clientele with over 200 dealer distributors & association with Reliance, DLF, GAIL, Delhi Metro etc.

**Capital Efficiency:-** Attractive Rols in excess of 30% leads to handsome payback period

### Internal Control Systems and Adequacy

In view of the changes in the Companies Act, the Company has taken additional measures to strengthen its internal control systems. Additional measures in this regard are fraud risk assessment, mandatory leave for employees, strengthening background verification process of new joiners, whistle blower policy and strengthening the process of risk management. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

### Human Resources

The Company has Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The Human Relations team continually conducts training programs for the development of employees.

The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's successful growth. The Company's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

Human resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement. The Company focuses on providing individual development and growth in a work culture that enables cross-pollination of ideas, ensures high performance and remains empowering.

As on March 31, 2016, the Company had a workforce of approx. 150 people on rolls.

### Corporate Social Responsibilities

Rama Steel Tubes as a responsible corporate citizen recognizes and embraces its commitment to the communities in which it operates and it believes that private sector plays a vital role in creating a level playing field, driving innovation and building an environment that enhances education and entrepreneurship to foster economic growth. Our social investment strategy is based on our vision to help the society run better and improving people's lives. In continuation to its peripheral development initiatives, the Company shall allocate annually 2% of its average net profits, if any, of the three preceding years for Corporate Social responsibility (CSR) activities to be undertaken as approved by its Board.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. SPL's CSR thrust shall be in the field of Health Care & Sanitation, Drinking Water, Education, Livelihood Enhancement, Environmental Sustainability & Rural development projects and animal welfare. It also undertakes programs to promote rural sports and culture; conservation of natural resources; skill development, Entrepreneurship building, and other community need based infrastructure projects / activities as stated in the schedule VII of the Companies Act 2013, directly, or indirectly through contributions to the corpus fund of the Charitable Trusts engaged in such activities.

### Outlook

Considering the Indian ERW Steel tubes market of 7 mn tonnes amounting to \$5 bn (Rs. 30,000 crore) and Welded steel market size of 170 mn tonnes amounting to \$100 bn, we are positive of our recent expansion at Khopoli plant. The experienced of the first nine months has been quite encouraging which has enabled us to move ahead with the capacity expansion at the Khopoli plant where the existing capacity of 36,000 MT is being doubled to 72,000 MT in July 2016. We see the demand-supply scenario favorably tilted on our side and we seek to use this opportunity to expand our operations further. South India remains a very lucrative market for ERW pipes. We are exploring opportunities for expanding into this market and with this FY17 will mark a significant step in our vision of going pan India.

Going forward we aim to launch new products to cater to a wider range of customers at the same time try and achieve greater efficiencies which will translate into healthy profitability for the Company.

We are committed to follow the path of financial discipline and bring down our debt levels going ahead. This will be achieved by repayment of existing debt from operational cash flows as well as monetization of unproductive assets.





# CORPORATE GOVERNANCE REPORT

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015, the Company has executed a fresh Listing Agreement with the Stock Exchanges.

The Company is in compliance with the requirements stipulated under clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of the regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

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

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

### Board Leadership

As on March 31 2016, 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.

## 2. BOARD OF DIRECTORS

Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors are as follows:

Category	Name of Directors
<b>Executive Directors</b>	Mr. Naresh Kumar Bansal -Chairman and Managing Director
	Mr. Richi Bansal
<b>Independent Directors</b>	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.

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

#### Number of Board meetings held with dates

Eleven 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
27-Apr-15	5	4
30-May-15	5	5
13-Jul-15	5	3
11-Aug-15	5	5
04-Sep-15	5	5
02-Nov-15	5	5
01-Dec-15	5	3
21-Dec-15	5	3
27-Jan-16	5	5
12-Feb-16	5	5
16-Mar-16	5	5

### 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 2015-16	Attendance at the AGM during 2015-16	No. of Other Directorship(s) on 31-03-2016	No. of Membership(s) /Chairmanship in other Companies as on 31-03-2016
Naresh Kumar Bansal	11	YES	3	0
Richi Bansal	11	YES	2	0
Bharat Bhushan Sahny	7	YES	2	1
Rajendra Prasad Khanna	8	YES	0	0
Hannya Dhir	11	YES	4	0

### 3. Audit Committee

Our audit committee ('the committee') comprised four Directors as on March 31, 2016 :

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 Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

#### Role of the Audit Committee:

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

### 4. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee ('the committee') comprised three directors as on March 31, 2016:

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

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

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

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

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

#### 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	5	1
<b>Directors' Attendance</b>			
Naresh Kumar Bansal	4	N.A.	N.A.
Richi Bansal	N.A.	5	N.A.
Bharat Bhushan Sahny	4	5	1
Rajendra Prasad Khanna	4	5	1
Hannya Dhir	4	5	1

#### 5.Details of Remuneration of Executive Directors for the financial year ended 31st March 2016

( ₹ in Lacs)

Name of the Director	Salary	Bonus	Perquisites	Contribution to PF	Pension	Total
Naresh Kumar Bansal	22.20	-	0.40	0.22	-	22.82
Richi Bansal	15.00	-	0.40	-	-	15.40

#### Details of Remuneration of Non-Executive Directors for the financial year ended 31st March 2016

( ₹ in Lacs)

Name of the Director	Sitting Fees	Total
Bharat Bhushan Sahny	0.60	0.60
Rajendra Prasad Khanna	0.65	0.65
Hannya Dhir	0.80	0.80

#### 6. Stakeholders' Relationship Committee

The committee has the mandate to review and redress shareholder grievances. Our stakeholders' relationship committee ('the committee') comprised Four directors as on March 31, 2016:

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 SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015".

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. The committee met five times during the financial year ended 31st March 2016.

#### Details of Shareholders'/ Investors' Complaints

Mr. Kapil Datta, Company Secretary, is the Compliance Officer for resolution of Shareholders'/Investors' complaints. During the financial year ended 31st March 2016, no complaint(s) were received from the shareholders. So, as on 31st March 2016, no shareholder complaint is pending.

#### 7. GENERAL BODY MEETINGS

Annual General Meeting

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

Financial year ended	Date and Time	Venue	Special Resolution Passed
March 31, 2013	September 28, 2013 11.00 a.m.	15/1, 2nd Floor, Asaf Ali Road, New Delhi - 110002	None
March 31, 2014	September 27, 2014 11.30 a.m.	15/1, 2nd Floor, Asaf Ali Road, New Delhi - 110002	None
March 31, 2015	September 29, 2015 11.30 a.m.	No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi - 110092	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Naresh Kumar Bansal as Managing Director</li> <li>• To Borrow money in excess of the aggregate of the paid up share capital and free reserve of the Company</li> <li>• To increase in terms of remuneration of Mr. Richi Bansal, Executive Director of the Company</li> </ul>

#### Extra-ordinary General Meeting

Extra-ordinary General Meeting of the members of the RAMA was held on Tuesday, March 1, 2016 at 11:30 a.m. at No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi - 110092 and Special resolution(s) passed for :

- Alteration in Capital Clause of Memorandum of Association
- Approval for the Issue of Bonus Shares

#### POSTAL BALLOT

No resolution was passed through postal ballot during last 3 financial years ended on March 31, 2014, March 31, 2015 and March 31, 2016.

#### 8. MEANS OF COMMUNICATION

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.ramasteel.com". The Company's website (www.ramasteel.com) contains a separate dedicated section "Investor Relations". Official news releases and presentations made to the Institutional Investors, are also posted on the Company's Website.

## 9. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting	
	Date	: September 30, 2016
	Time	: 11:30 a.m.
	Venue	: Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi- 110092
ii.	Financial Calendar	: 1st April to 31st March every year
iii.	Date of book closure / record date	: As mentioned in the Notice of the AGM to be held on September 30, 2016
iv.	Dividend Payment Date	: During the year 2015-16, dividend was not declared.
v.	Listing on stock exchanges	: <b>National Stock Exchange of India Limited (NSE)</b> – Exchange Plaza, Bandra – Kurla Complex, Bandra(E), Mumbai – 400 051 <b>BSE Limited</b> – Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	Listing fees as applicable have been paid.	: Annual Listing fees for the financial year 2016-2017 have been duly paid to all the above Stock Exchange
vi.	Stock Code (EQUITY SHARES)	: NSE Limited – RAMA STEELS BSE Limited – 539309
	ISIN	: INE230R01027
vii.	Market Price Data	: Refer Table – I
viii.	Registered office	: No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi – 110092
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	: 93.17% 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.	Distribution of Shareholding	: Refer Table – II & Table – III
xii.	Dematerialization of shares and liquidity	: Refer Table – IV
xiii.	Outstanding GDRs/ADRs/Warrants or any other convertible instrument, conversion date and likely impact on equity	: N.A.
xiv.	Commodity price risk or foreign exchange risk and hedging activities	: Please refer to Management Discussion and Analysis Report for the same.
xv.	Plant Locations	: • B-21, Site No. 4, Industrial Estate, Sahibabad, Uttar Pradesh. • B-5, Site No. 4, Industrial Estate, Sahibabad, Uttar Pradesh. • 151, Village Umbare, Taluka Khalapur, Khopoli, Pali Road, Dist. Raigad, Maharashtra

**TABLE – I**

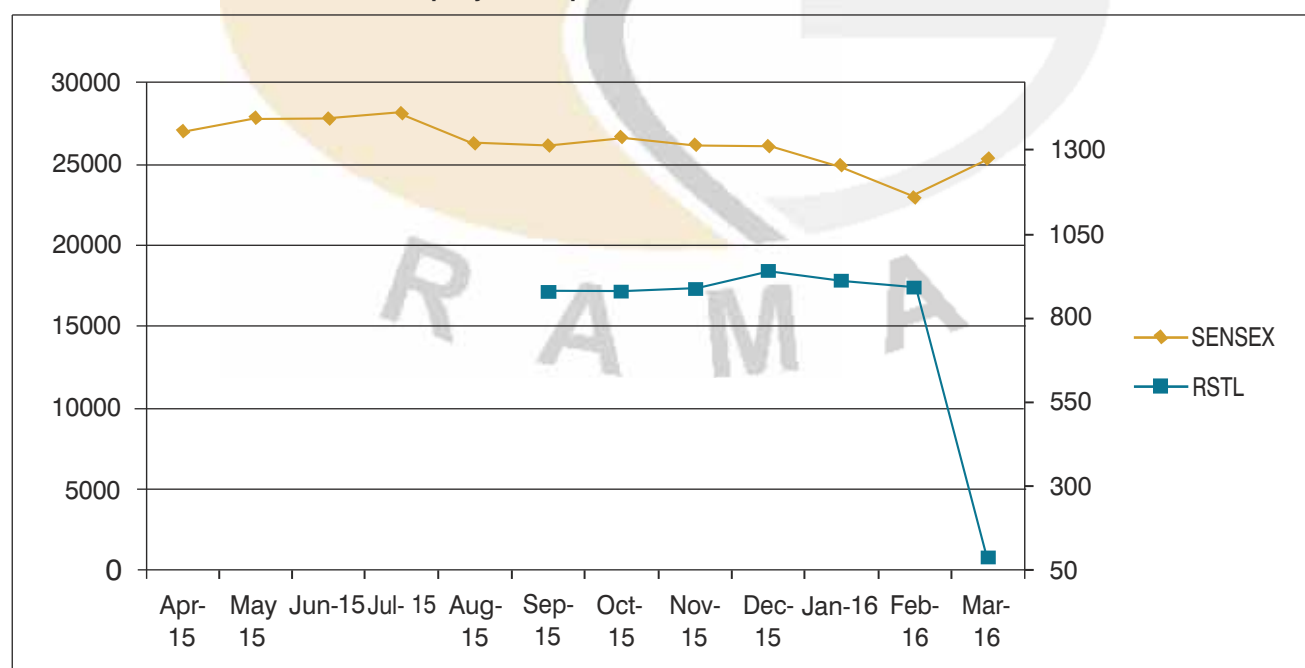
**Market Price Data:** The shares of the Company are listed at BSE and NSE. Monthly High and Low at both the Stock Exchanges for the year 2015-16 is given:

(Amount in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Aug – 15	785.40	650	-	-
Sep – 15	880.20	760	881	750
Oct – 15	913.45	875.05	924	873
Nov – 15	906.95	871.60	950	878.25
Dec – 15	939	888	940	870
Jan – 16	943.95	896	941.75	908
Feb – 16	935	881	932	881
Mar – 16	95	84.8	925	84.75

\*Company got listed on NSE in the month of August 2015 and on BSE in the month of September 2015

**Performance of the share of the Company in comparison to the BSE SENSEX:**



\*Company got listed on BSE in the month of September 2015, therefore the graph reflects the price of the Company's share from the month of September 2015.

#the share(s) of company was subdivided from nominal value of ₹ 10/- per share to ₹ 5/- per share and a bonus issue in the ratio of 4:1 (i.e. for every 1 share held, 4 bonus shares were allotted)

**TABLE – II**

**Distribution of Equity Shareholding as on March 31, 2016**

Category (Shares)	Number of Shareholders	% to Total Shareholders	No. of Shares	% of Total Shares
1-500	1059	69.6252%	133278	0.8924%
501-1000	96	6.3116%	84262	0.5642%
1001-2000	51	3.3531%	79618	0.5331%
2001-3000	126	8.2840%	363859	2.4364%
3001-4000	16	1.0519%	57309	0.3837%
4001-5000	11	0.7232%	53435	0.3578%
5001-10000	97	6.3774%	719325	4.8167%
10001 and above	65	4.2735%	13442914	90.0155%
<b>G. TOTAL</b>	<b>1521</b>	<b>100.0000</b>	<b>14934000</b>	<b>100.0000</b>

**TABLE – III**

**Category of Shareholders as on March 31, 2016**

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	11043000	73.95
(2)	Foreign	-	-	-
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	2	49621	0.33
(2)	Non- Institutions	1470	3841379	25.72
	<b>TOTAL (A) + (B)</b>	<b>1479</b>	<b>14934000</b>	<b>100.00</b>

**TABLE – IV**

**Dematerialisation of Equity Shares As on March 31, 2016**

Mode of Holding	No. of Shares	Percentage (%)
NSDL	40,58,199	27.17
CDSL	98,55,801	66.00
Physical	10,20,000	6.83
<b>TOTAL</b>	<b>1,49,34,000</b>	<b>100.00</b>

**10. OTHER DISCLOSURES**

**a) Related Party transactions**

During the year 2015-16, no transactions of materially significant nature had been entered into by the Company with the related parties that may have a potential conflict with interest of the company at large. Detailed related party information and transactions have been provided in Notes to Accounts forming part of the Annual Report. The Board of Directors has adopted a related party transaction policy and the same is available on the website of the Company ([www.ramasteel.com](http://www.ramasteel.com))

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

c) Vigil Mechanism/Whistle Blower Policy: The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at <http://ramasteel.com/cms/policy-and-code-of-conduct>

d) The Company has complied with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Regulations).

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

i. Shareholders' Rights - Half-yearly declaration of financial performance of the Company are not currently sent to each of the household of shareholders but are published in terms of Regulation 47(3) of Listing regulations in newspapers and also sent to the Stock Exchange. Besides, all Quarterly/Half-yearly/Annual financial results are published on the Company's Website.

ii. Audit Qualification - The financial statements of the Company are unqualified.

iii. Separate post of Chairperson and Managing Director/Chief Executive Officer – Currently the post of Chairperson and Managing Director is held by Sh. Naresh Kumar Bansal.

iv. Reporting of Internal Auditor: The internal auditors of the Company, directly reports to the audit committee on functional matters.

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

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

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

11. The Company complied with all the requirement of corporate governance report said out in the schedule V of SEBI (LODR) Regulations, 2015.

12. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted: Disclosed in 10(d) of this report.

13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report. – All requirements mentioned are complied.

## CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2015-16.

Place: Delhi  
Date : August 10, 2016

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



## CEO / CFO CERTIFICATION

To,  
The Board of Directors  
Rama Steel Tubes Limited

We have reviewed financial statements and the cash flow statements of Rama Steel Tubes Limited for the year ended 31st March, 2016 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  
Chairman & Managing Director

Place : Delhi

Date : August 10, 2016

## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members  
**Rama Steel Tubes Limited**

We have examined the compliance of conditions of corporate governance by Rama Steel Tubes Limited ('the Company') for the year ended 31 March, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

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

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

Sd/-

(Vipin Aggarwal)

Partner

Membership No. – 082498

Place : Delhi

Date : August 10, 2016

# STANDALONE FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To  
The Members,  
Rama Steel Tubes Limited,  
Delhi.

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of M/s Rama Steel Tubes Limited ("The Company") which comprises the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 Standalone 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 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 adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and fair presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 and under Section 143(11) of the Act.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view 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 company's Directors, 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 Standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view, *subject to the note*

no. 11 where we do not express any opinion, in conformity with the accounting principles generally accepted in India, of the state of Affairs of the Company as at March 31, 2016, and its profit and its Cash Flows for the Year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we enclose "Annexure A" giving a Statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, we enclose "Annexure B" giving our separate report.
  - g) 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. 003612N

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

Place : New Delhi  
Date : 26-05-2016

## Annexure "A" to the Independent Auditors' Report -31st March 2016

**Re: Rama Steel Tubes Limited**

Referred to in 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.
- c) According to the information given to us, the title deeds of all the immovable properties are held in the name of the company.
2. The inventories except Goods in Transit have been physically verified during the period by the management at reasonable intervals. 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. The company has not granted any loans, secured or unsecured to any company, firm, Limited Liability Partnership or other Parties covered in the register maintained under section 189 of the companies Act, 2013.
4. In our opinion and according to the information and explanations given to us the company has not granted any loans, investments, guarantees, and security and the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
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 court or any other Tribunal against the company.
6. The company has maintained books of account relating to materials, labour and other items of cost 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 have not made however a detailed examination of the record with a view to determine whether they are accurate or complete as the same has been audited by the Cost auditors.
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, as applicable, with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident 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 in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us and records of the company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax, Cess which have not been deposited on account of any dispute, are as per annexure below :

Sl. No.	Name of 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



8. 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 the repayment of dues to a financial institution, bank or debenture holders.
9. In our opinion, the moneys raised by term loans have been applied for the purpose for which they were raised.
10. 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.
11. According to the information given to us and based upon our audit procedures, the managerial remuneration has been paid in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. The company is not a Nidhi Company and hence, the company is not governed by Nidhi Rules, 2014.
13. In our opinion, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private allotment of shares or fully or partly paid convertible debentures during the year under review.
15. On the basis of information provided to us, the company has not entered into any non-cash transactions with directors or parties connected with him under Section 192 of the Companies Act, 2013.
16. The company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: New Delhi  
Dated: 26-05-2016

## Annexure "B" to the Independent Auditors' Report -31st March 2016

### (Report on the Internal Financial controls under clause (i) of section 143 (3) of the Companies Act, 2013)

We have audited the internal financial controls over financial reporting of Rama Steel Tubes Limited (the Company) as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act 2013 ("the Act").

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

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

#### Meaning Of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

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

Place: New Delhi  
Dated: 26-05-2016

Standalone Balance Sheet As at March 31, 2016

(Amount in ₹)

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	8,46,70,000	2,49,34,000
(b) Reserves and Surplus	3	17,32,54,049	18,20,43,974
(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	16,82,42,240	16,84,72,696
(b) Deferred Tax Liabilities (Net)	5	32,10,113	27,41,743
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	37,52,76,252	36,09,42,256
(b) Trade Payables	7	13,59,44,106	2,34,35,319
(c) Other Current Liabilities	8	7,29,34,388	19,06,19,834
(d) Short-Term Provisions	9	2,38,47,934	86,88,950
<b>Total Equity &amp; Liabilities</b>		<b>1,03,73,79,083</b>	<b>96,18,78,772</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		16,50,17,457	11,80,61,259
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		1,16,74,382	6,38,14,906
(b) Non-current investments	11	13,06,27,795	12,73,59,588
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	2,07,30,713	1,14,06,380
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	13	31,67,44,848	25,61,73,135
(c) Trade receivables	14	19,74,33,670	11,13,33,740
(d) Cash and cash equivalents	15	5,89,55,660	7,45,48,448
(e) Short-term loans and advances	16	13,61,94,558	19,91,81,316
(f) Other current assets		-	-
<b>Total Assets</b>		<b>1,03,73,79,083</b>	<b>96,18,78,772</b>

Notes referred to above and notes attached thereto 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 : 26-05-2016

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)

Statement of Standalone Profit & Loss for the Year Ended on March 31, 2016

(Amount in ₹)

Sr. No.	Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
	<b>Income</b>			
I	Revenue from operations (Gross)	17	2,37,50,89,807	2,06,23,70,351
	Less: Excise Duty		(22,05,31,746)	(13,79,69,448)
	Gross Revenue from operations (Net)		2,15,45,58,061	1,92,44,00,903
II	Other Income	18	3,07,80,466	2,64,41,679
III	<b>Total Revenue (I + II)</b>		<b>2,18,53,38,528</b>	<b>1,95,08,42,583</b>
IV	<b>Expenses:</b>			
	Cost of Materials consumed	19	1,82,41,77,410	1,73,17,95,318
	Purchase of Stock-in-Trade		4,51,208	8,43,083
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	4,96,96,690	(3,81,05,424)
	Employee Benefit Expense	21	2,93,37,607	2,78,44,378
	Financial Costs	22	6,16,32,810	5,27,46,204
	Depreciation and Amortization Expense	23	2,84,77,036	2,26,17,564
	Other Expenses	24	11,45,89,413	14,44,30,563
	<b>Total Expenses (IV)</b>		<b>2,10,83,62,174</b>	<b>1,94,21,71,687</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>7,69,76,354</b>	<b>86,70,896</b>
VI	Exceptional Items		-	-
VII	Profit before Taxes (V - VI)		<b>7,69,76,354</b>	<b>86,70,896</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		2,55,30,300	50,17,145
	(2) Deferred tax		4,68,370	(37,46,684)
	(3) Income Tax for earlier years		31,609	5,15,873
	(4) Mat credit Entitlement		-	19,543
IX	Profit/(Loss) from the period from continuing operations	(VII-VIII)	<b>5,09,46,075</b>	<b>68,65,019</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>5,09,46,075</b>	<b>68,65,019</b>
XIV	Earning per equity share - Basic & Diluted		3.41	4.60

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 : 26-05-2016

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)

Standalone Cash Flow Statement for the Year Ended on March 31, 2016

(Amount in ₹)

PARTICULARS	Year ended 31-03-2016		Year ended 31-03-2015	
	AMOUNT	TOTAL	AMOUNT	TOTAL
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra ordinary items		7,69,76,354		86,70,896
Add : Adjustment for Depreciation	2,84,77,036		2,26,17,564	
Interest & Finance Charges	6,16,32,810		5,27,46,204	
Gain / Loss on Sale of Fixed assets	(4,02,972)		14,31,310	
		8,97,06,874		7,67,95,078
<b>Operating profit before working capital changes</b>		<b>16,66,83,228</b>		<b>8,54,65,974</b>
<b>Adjustment for:</b>				
Increase/Decrease in Trade Receivables	(8,60,99,930)		6,44,52,961	
Increase/Decrease in Other receivables	5,14,32,372		(13,45,46,694)	
Increase/Decrease in Inventories	(6,05,71,714)		(4,89,91,550)	
Increase/Decrease in Trade & Other payable	(60,54,774)	(10,12,94,045)	7,10,93,742	(4,79,91,541)
Cash generated from operations		6,53,89,183		3,74,74,433
Cash flow before extra ordinary items		6,53,89,183		3,74,74,433
Income Tax Paid		(95,24,808)		(46,94,951)
Net cash from operating activities		5,58,64,375		3,27,79,482
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(2,55,27,238)		(6,71,70,982)	
Sale of Fixed Assets	26,37,500		1,17,01,000	
Additions to Investments	(32,68,207)		(9,87,25,905)	
Advance for Fixed Assets	22,30,051		8,58,26,968	
Net Cash used in investing activities		(2,39,27,894)		(6,83,68,919)
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>				
Issue of Equity Shares	5,97,36,000		1,24,45,000	
General Reserve utilized for Issue of Bonus Shares	(5,97,36,000)		(1,24,45,000)	
Receipt/Repayment of secured loans	(1,06,07,655)		18,78,88,228	
Receipt/Repayment of unsecured loans	2,47,11,196		(4,74,20,515)	
Interest & Finance Charges	(6,16,32,810)		(5,27,46,204)	
Net cash generated from Financing activities		(4,75,29,269)		8,77,21,509
<b>NET CHANGE IN CASH EQUIVALENT (A+B+C)</b>		<b>(1,55,92,788)</b>		<b>5,21,32,071</b>
<b>CASH &amp; CASH EQUIVALENT</b>				
Opening Balance		7,45,48,448		2,24,16,377
Net Change in Cash & Cash Equivalent		(1,55,92,788)		5,21,32,071
Closing Balance		5,89,55,660		7,45,48,448

**Notes :**

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

**for VAPS & 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 : 26-05-2016

**Sd/-**  
**Rajkumar Malik**  
(Chief Financial Officer)

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



**Notes Forming Integral Part of the Standalone Financial Statement as at March 31, 2016**

**Note No. 1 Significant Accounting Policies as referred to in Standalone Financial Statements for the Year ended 31st March 2016**

**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.

**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.37,11,744/- (Previous Year Rs.44,77,787/-).
- b) Leave Encashment to Rs.3,31,750/- (Previous Year Rs.3,94,194/-) 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.43,41,385/- (Previous Year Rs.91,06,056/-) 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.

**Notes Forming Integral Part of the Standalone Balance Sheet as at March 31, 2016**

Amount in ₹

**Note : 2 Share Capital**

Sr. No.	Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
1	<b>AUTHORIZED CAPITAL</b>			
	1,50,00,000 Equity Shares of Rs.5/- each (As at Previous Year 15,00,000 Equity Shares of Rs.10/- each)		7,50,00,000	1,50,00,000
	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)		2,50,00,000	2,50,00,000
			10,00,00,000	4,00,00,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>			
	1,49,34,000 Equity Shares of Rs.5/- each fully paid up (As at Previous Year 14,93,400 Equity Shares of Rs.10/- each fully paid up)		7,46,70,000	1,49,34,000
	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)		1,00,00,000	1,00,00,000
	<b>Total</b>		<b>8,46,70,000</b>	<b>2,49,34,000</b>

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

Sr. No.	Particulars	Current Year	Previous Year
	<b>Shares outstanding as at the beginning of the year 01-04-2015:</b>		
	Equity Share with Face Value of Rs.10/- each Fully paid	14,93,400	2,48,900
	5% Non-Cumulative Redeemable Preference Shares of Rs.10/- each Fully paid	10,00,000	10,00,000
	<b>Additions during the year:</b>		
	Equity Shares of Rs.5/- each issued during the year on Sub-division of Shares	29,86,800	-
	Equity Shares of Rs.5/- each issued during the year as Bonus Shares	1,19,47,200	12,44,500
	<b>Deletion during the year :</b>		
	Equity Shares of Rs.10/- each deleted during the year on subdivision of Shares	14,93,400	-
	<b>Shares outstanding as at the end of the year 31-03-2016</b>		
	Equity shares with Face Value of Rs.5/- each (Previous Year Rs.10/- each) Fully paid	1,49,34,000	14,93,400
	5% Non-Cumulative Redeemable Preference Shares of Rs.10/- each Fully paid	10,00,000	10,00,000
	<b>Total</b>	<b>1,59,34,000</b>	<b>24,93,400</b>

**Details**

- (i) 29,86,800 Equity Shares of Rs.5/- each were allotted on March, 16,2016 to the existing shareholders in the ratio of 1 : 2 in lieu of 14,93,400 Equity Shares of Rs.10/- each consequent to sub-division of Equity Share from Rs.10/- each to Rs.5/- each (In lieu of every one equity share of Rs.10/- each held, two equity shares of Rs.5/- each allotted)
- (ii) 1,19,47,200 Equity Shares of Rs.5/- each were allotted as Bonus Shares on March, 16,2016 to the existing shareholders in the ratio of 1 : 4 (For every one equity share of Rs.5/- each, four equity shares of Rs.5/- each allotted)
- (iii) 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 Equity Share of Rs.10/- each five bonus equity shares of Rs.10/- each allotted )

**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	74,28,000	49.74%	7,42,800	49.74%
Richi Bansal	12,93,000	8.66%	1,29,300	8.66%
Nikhil Naresh Bansal	12,66,000	8.48%	1,26,600	8.48%

**Note : 3 Reserve & Surplus**

Amount in ₹

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
<b>1</b>	<b>General Reserve</b>		
	Balance brought forward from previous year	15,74,64,310	16,74,09,310
	Add: Additions	1,00,00,000	25,00,000
	Less: Issue of Bonus Shares	(5,97,36,000)	(1,24,45,000)
		10,77,28,310	15,74,64,310
<b>2</b>	<b>Surplus (Statement of Profit &amp; Loss)</b>		
	Balance brought forward from previous year	2,45,79,664	2,04,55,375
	Add: Net Profit/ (Loss) for the Year	5,09,46,075	68,65,019
	Less: Transfer to Reserves	1,00,00,000	25,00,000
	Less: Salvage value of Fixed Assets Written off	-	(2,40,729)
	Closing Balance	6,55,25,739	2,45,79,664
	<b>Total</b>	<b>17,32,54,049</b>	<b>18,20,43,974</b>

**Note : 4 Long Term Borrowings**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
<b>1</b>	<b>Term Loan</b>		
	- From Bank	13,29,68,959	15,72,46,998
	- From Others	4,09,391	10,73,004
	<b>Unsecured</b>		
<b>2</b>	- Fixed Deposit	-	-
<b>3</b>	- From related parties	3,21,03,235	66,97,694
<b>4</b>	- Security Deposits from Dealer	27,60,655	34,55,000
	<b>Total</b>	<b>16,82,42,240</b>	<b>16,84,72,696</b>

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

Sr. No.	Loan Amount	
1	Term Loan amounting Rs. 4,00,74,231 (P.Y.Rs.3,97,34,231)	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. 10.40%)
2	Term Loan amounting Rs. 8,17,01,669 (P.Y.Rs.9,04,28,118)	Repayable in 120 monthly installments commencing from August, 2014. Last installment due in Oct., 2023. Rate of interest 10.25% p.a as at year end ( P.Y. 12.00%)
3	Term Loan amounting Rs.1,11,93,059 (P.Y.Rs.2,70,84,649)	Repayable in 60 monthly installments commencing from Oct,2015. Last installment due in Sept., 2020. Rate of interest 12.15% p.a as at year end.(P.Y.13.95%)
4	Term Loan amounting Rs.4,09,391 ( P.Y.Rs.10,73,004)	Repayable in 60 monthly installments commencing from Nov 2012. Last installment due in Oct 2017. Rate of interest 8.56% p.a as at year end. (P.Y. 8.56%)

**Nature of Security of sub Note 1.1 of Note no. 4:-** Secured against mortgage of Jaypee Greens, Greater Noida, UP.

**Nature of Security of sub Note 1.2 of Note no. 4:-** Secured against mortgage of Plot No131,sector-44,Gurgaon.

**Nature of Security of sub Note 1.3 of Note No.4 :-** Secured by hypothecation of Plant and Machinery

**Nature of Security of sub Note 1.4 of Note no. 4:-** Secured by hypothecation of vehicles.

Installments falling due in respect of all the above Loans upto 31.03.2017 have been grouped under "Current maturities of long-term debt" (Refer Note 8)

**Note : 5 Deffered Tax Liabilities**

Amount in ₹

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
	<b>Deffered Tax Liabilities</b>		
	-Opening Balance	27,41,743	64,88,427
	-Additions during the Year	4,68,370	(37,46,684)
	<b>Total</b>	<b>32,10,113</b>	<b>27,41,743</b>

**Note : 6 Short Term Borrowings**

Amount in ₹

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
	<b>Secured</b>		
1	<b>Working Capital Loans Repayable on Demand</b>		
	- From Bank (including Packing Credit Limit )	37,52,76,252	36,09,42,256
	<b>Total</b>	<b>37,52,76,252</b>	<b>36,09,42,256</b>

Working Capital facilities from Bank are secured by first charge on inventories and book debts and first charge on all immovable assets of the company and further guaranteed by Sh. Naresh Kumar Bansal, Director and Sh. Richi Bansal, Director of the company

**Note : 7 Trade Payable**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Sundry Creditors for Raw Material	11,36,98,309	8,86,837
2	Sundry Creditors for Expenses	1,72,58,461	1,76,80,465
3	Expenses Payable	49,87,336	48,68,017
	<b>Total</b>	<b>13,59,44,106</b>	<b>2,34,35,319</b>

**Note : 8 Other Current Liabilities**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Current Maturities of Long Term Debt	2,73,38,452	1,80,19,157
3	Advance From Customers	3,43,26,071	8,06,52,555
4	Statutory Liabilities	1,12,69,865	71,15,440
5	Bank Overdraft-Bank of India	-	8,48,32,682
	<b>Total</b>	<b>7,29,34,388</b>	<b>19,06,19,834</b>

**Note : 9 Short Term Provisions**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Provision for Excise Duty on Finished Goods	69,05,243	77,83,359
2	Provision for Taxation(Net)	1,69,42,691	9,05,591
	<b>Total</b>	<b>2,38,47,934</b>	<b>86,88,950</b>



**Note No. 10 on Tangible Assets (Standalone)**

Particulars	Gross Block				Depreciation			Net Block		Amount in ₹	
	As on 01-04-2015	Additions During the Year	Sales/ ADJ. During the Year	Total As on 31-03-2016	Upto 31.03.2015	During the Year	Adjustment During The Year	Upto 31.03.2016	W.D.V. As on 31-03-2016		W.D.V. As on 31-03-2015
	I)										
Land (B-21 Sahibabad)	4,90,946	-	-	4,90,946	-	-	-	-	-	4,90,946	4,90,946
Land (B-5 Sahibabad)	49,54,518	-	-	49,54,518	-	-	-	-	-	49,54,518	49,54,518
Land (B-25/1 Sahibabad)	39,02,462	-	-	39,02,462	-	-	-	-	-	39,02,462	39,02,462
Land (Khapoli)	57,13,583	20,73,025	-	77,86,608	-	-	-	-	-	77,86,608	57,13,583
Land (Mumbai)	24,85,000	6,00,000	-	30,85,000	-	-	-	-	-	30,85,000	24,85,000
Land (Plot 131, Gurgaon)	95,06,075	-	-	95,06,075	-	-	-	-	-	95,06,075	95,06,075
II)											
Office -1 Mumbai	1,96,500	-	-	1,96,500	1,71,238	11,016	-	1,82,254	14,246	25,262	25,262
Office -2 Mumbai	10,09,950	-	-	10,09,950	3,54,632	76,869	-	4,31,501	5,78,449	6,55,318	6,55,318
Factory Shed & Building	1,20,64,901	1,78,74,094	-	2,99,38,995	72,23,068	20,96,321	-	93,19,389	2,06,19,606	48,41,833	48,41,833
BUILDING (PLOT NO.131)	2,81,48,133	-	-	2,81,48,133	51,65,258	22,51,074	-	74,16,332	2,07,31,801	2,29,82,875	2,29,82,875
III											
Plant & Machinery	17,29,30,673	5,20,73,372	2,95,03,205	19,55,00,840	12,10,43,907	1,92,35,901	2,71,58,513	11,31,21,295	8,23,79,545	5,18,86,766	5,18,86,766
IV											
Furniture & Fixture	17,41,059	20,600	-	17,61,659	9,77,663	2,06,539	-	11,84,202	5,77,457	7,63,396	7,63,396
V											
Office Equipments	16,22,777	1,66,499	-	17,89,276	14,07,265	1,10,188	-	15,17,453	2,71,823	2,15,512	2,15,512
VI											
Laboratory Equipments	-	1,64,235	-	1,64,235	-	8,248	-	8,248	1,55,987	-	-
VII											
Vehicles	1,84,26,496	83,093	-	1,85,09,589	1,33,09,763	17,66,307	-	1,50,76,070	34,33,519	51,16,733	51,16,733
VIII											
Generator Set	63,09,143	4,26,645	-	67,35,788	46,45,295	4,13,250	-	50,58,545	16,77,243	16,63,848	16,63,848
IX											
Air-Conditioners	48,05,352	3,46,862	-	51,52,214	33,02,912	9,38,693	-	42,41,605	9,10,609	15,02,440	15,02,440
X											
Electric Fittings & Installations	23,53,376	32,90,484	-	56,43,860	10,92,183	12,11,636	-	23,03,819	33,40,041	12,61,193	12,61,193
XI											
Computers - Hardware	13,34,287	3,12,538	-	16,46,825	12,40,787	1,20,500	-	13,61,287	2,85,538	93,500	93,500
XII											
Computers - Software	-	3,46,478	-	3,46,478	-	30,494	-	30,494	3,15,984	-	-
<b>Total for the Year</b>	<b>27,79,95,231</b>	<b>7,77,77,925</b>	<b>2,95,03,205</b>	<b>32,62,69,951</b>	<b>15,99,33,971</b>	<b>2,84,77,036</b>	<b>2,71,58,513</b>	<b>16,12,52,494</b>	<b>16,50,17,457</b>	<b>11,80,61,260</b>	<b>11,80,61,260</b>
<b>Total Previous Year</b>	<b>28,19,31,115</b>	<b>94,37,154</b>	<b>1,33,73,039</b>	<b>27,79,95,230</b>	<b>13,73,16,408</b>	<b>2,26,17,564</b>	<b>-</b>	<b>15,99,33,971</b>	<b>11,80,61,259</b>	<b>14,46,14,708</b>	<b>14,46,14,708</b>

**CAPITAL WORK IN PROGRESS**

(Amount in ₹)

Particulars	As on 01-04-2015	Additions	Total	Capitaized	As on 31-03-2016
Factory Shed and Building	1,62,28,076	59,42,620	2,21,70,696	1,62,28,076	59,42,620
Plant & Machinery	3,83,54,316	56,29,574	4,39,83,890	3,83,54,316	56,29,574
Office Equipments	-	1,02,188	1,02,188	-	1,02,188
Pre Operative Expenditure	25,60,704		25,60,704	25,60,704	-
Rolls	29,74,528		29,74,528	29,74,528	-
Air Conditioner	1,19,901		1,19,901	1,19,901	-
D.G.Set	4,26,645		4,26,645	4,26,645	-
Electric Fittings	31,50,736		31,50,736	31,50,736	-
<b>TOTAL FOR THIS YEAR</b>	<b>6,38,14,906</b>	<b>1,16,74,382</b>	<b>7,54,89,288</b>	<b>6,38,14,906</b>	<b>1,16,74,382</b>

**Notes : 11 Non Current Investments**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
<b>I</b>	<b>Investment in Joint Venture (Unquoted ,Trade)</b> M/s Pir Panchal Construction Pvt. Ltd. Joint Venture, Jammu *	1,96,99,505	2,97,92,683
<b>II</b>	<b>Investment in wholly owned Subsidiary Company (Unquoted ,Trade)</b> M/s RST International Trading FZE, Dubai	90,20,000	-
<b>III</b>	<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. (Previous Year 60500 Equity Shares)	5,00,000 9,28,181	5,00,000 9,28,181
<b>IV</b>	<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
<b>V</b>	<b>Investment in Immovable Property</b> Immovable property at Jaypee Green,Noida	10,04,79,910	9,61,38,525
	<b>Total</b>	<b>13,06,27,795</b>	<b>12,73,59,588</b>
	Aggregate book value of unquoted Investments	12,91,99,415	12,59,31,207
	Aggregate book value of quoted Investments	14,28,381	14,28,381
	Market Value of quoted Investments	-	-
	Aggregate provision for diminution 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 the Company has been prepared on the basis of provisional statements of accounts of Joint Venture Company.

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

(Amount in ₹)

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
I)	<b>Capital Advances</b>		
	Unsecured, Considered Good	17,48,375	39,78,426
II)	<b>Security Deposit</b>		
	Unsecured, Considered Good	83,48,954	73,45,954
III)	<b>Other Loans &amp; Advances</b>	1,06,33,384	82,000
	<b>Total</b>	<b>2,07,30,713</b>	<b>1,14,06,380</b>

**Note : 13 Inventories**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Raw Material	18,67,98,762	11,45,75,775
2	Raw Material in Transit	3,79,30,817	-
3	Finished Goods	9,05,65,235	14,00,88,521
4	Rejection & Scrap	9,23,334	10,96,738
5	Consumables	5,26,700	4,12,100
	<b>Total</b>	<b>31,67,44,848</b>	<b>25,61,73,135</b>

The closing stock of Finished Goods has been valued inclusive of Excise Duty amounting to Rs.69,05,243/- Previous Year Rs. 77,83,359/- as per ASI 14 (Revised) issued by ICAI.

**Note : 14 Trade Receivables**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good :	1,22,44,637	1,32,34,343
2	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, Considered Good :	18,51,89,033	9,80,99,397
	<b>Total</b>	<b>19,74,33,670</b>	<b>11,13,33,740</b>

**Note : 15 Cash & Cash Equivalent**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	<b>Cash &amp; Cash Equivalent</b>		
	Cash Balance	35,31,873	26,59,079
	Bank Balance	25,60,210	4,30,29,375
	Sub Total (1)	60,92,083	4,56,88,454
2	<b>Other Bank Balances</b>		
	Fixed Deposits with Banks	4,84,68,549	2,70,68,549
	Accrued Interest on FDR's & Securities (In margin money with maturities more than three months and less than twelve months at inception)	43,95,028	17,91,445
	Sub Total (2)	5,28,63,577	2,88,59,994
	<b>Total [ 1+2]</b>	<b>5,89,55,660</b>	<b>7,45,48,448</b>

**Note : 16 Short Term Loans and Advances**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Advance to Suppliers and Others	5,54,00,431	6,40,63,162
2	Prepaid Expenses	50,74,480	2,12,689
3	Advance Payment with Revenue Authorities (Indirect Taxes)	7,57,19,648	13,49,05,466
	<b>Total</b>	<b>13,61,94,558</b>	<b>19,91,81,316</b>

**Notes Forming Integral Part of the Statement of Standalone Profit & Loss as on March 31, 2016**
**Note : 17 Revenue from Operations**

(Amount in ₹)

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Sales (Finished Goods) - Domestic	2,05,80,00,833	1,21,86,96,042
2	Sales (Finished Goods) - Export	31,05,43,382	79,11,51,839
		2,36,85,44,215	2,00,98,47,881
3	Sales Traded Goods (Raw Material Cleared as such)	4,59,338	8,58,274
4	Job Work	11,28,441	9,28,505
5	Export Incentive	49,57,813	5,07,35,691
	Gross Revenue	2,37,50,89,807	2,06,23,70,351
6	Less: Excise Duty	(22,05,31,746)	(13,79,69,448)
	<b>Total</b>	<b>2,15,45,58,061</b>	<b>1,92,44,00,903</b>

Sr. No.	Detail of sale of Products	Current Year	Previous Year
	<b>Manufactured Goods :</b>		
1	Black Pipe/Tubes	1,77,17,11,562	1,11,34,48,148
2	GP Pipe/Tubes	46,96,38,059	80,14,57,895
3	Rejected Pipes /Scrap	8,72,97,910	8,12,39,771
4	Others	4,20,77,456	1,61,17,286
	Less:Rebate and Discount	(21,80,771)	(24,15,219)
		2,36,85,44,215	2,00,98,47,881
	<b>Trading Goods :</b>		
1	HR Strip/Coil	4,59,338	8,58,274
		<b>4,59,338</b>	<b>8,58,274</b>
	<b>Total</b>	<b>2,36,90,03,553</b>	<b>2,01,07,06,155</b>

**Note : 18 Other Income**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Interest Earned on FDRs	36,90,851	25,39,985
2	Profit On Sale of Fixed Assets	4,02,972	-
3	Misc. Income	1,70,25,523	2,12,47,986
4	Foreign Exchange Fluctuation *	96,61,120	26,53,708
	<b>Total</b>	<b>3,07,80,466</b>	<b>2,64,41,679</b>

\* The amount includes Rs.4,03,333/- and Rs.98,802/- being the gains on account of exchange rate variance as at 31-03-2016 on the outstanding amount of investment of Rs.86,16,667/- and of Loan Rs.97,46,582/- respectively to the Wholly owned Subsidiary viz. RST International Trading FZE in Dubai

**Note : 19 Cost of Material Consumed**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	<b>Raw Materials</b>	<b>1,80,78,39,333</b>	<b>1,71,32,63,656</b>
	Opening Stock	11,45,75,775	10,35,55,350
	Add: Purchase	1,88,00,62,320	1,72,42,84,082
	Less: Closing Stock	(18,67,98,762)	(11,45,75,775)
2	<b>Stores and Spares</b>		
	Stores & Consumables	1,63,38,077	1,85,31,662
	<b>Total</b>	<b>1,82,41,77,410</b>	<b>1,73,17,95,318</b>

**Detail of Raw Material Consumed**

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	HR Coil	1,70,55,94,583	1,54,87,64,564
2	Black pipe	1,98,73,385	3,28,92,175
3	Zinc	7,63,67,958	13,60,61,799
4	Others	2,23,41,484	1,40,76,780
	<b>Total</b>	<b>1,82,41,77,410</b>	<b>1,73,17,95,318</b>

The above Raw material consumed includes indigenous materials of Rs.165,82,09,185/- and imported material Rs.16,59,68,425/- during the year

**Note : 20 Change in Inventories**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Opening Stock Finished Goods	14,11,85,259	10,30,79,836
	<b>Total-1</b>	<b>14,11,85,259</b>	<b>10,30,79,836</b>
2	Closing Stock Finished Goods	9,14,88,569	14,11,85,259
	<b>Total-2</b>	<b>9,14,88,569</b>	<b>14,11,85,259</b>
	<b>Total (2-1)</b>	<b>4,96,96,690</b>	<b>(3,81,05,424)</b>

**Note : 21 Employee Benefit Expenses**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Salaries, Wages, Bonus etc.	2,70,92,555	2,51,36,197
2	Contribution to Provident and other Funds	16,80,508	20,41,440
3	Staff Welfare Expenses	5,64,544	6,66,741
	<b>Total</b>	<b>2,93,37,607</b>	<b>2,78,44,378</b>

**Note : 22 Financial Cost**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Interest Expense	5,48,86,166	4,02,37,184
2	Other Borrowing Cost	67,46,643	1,25,09,021
	<b>Total</b>	<b>6,16,32,810</b>	<b>5,27,46,204</b>

**Note : 23 Depreciation & Amortised Cost**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Depreciation	2,84,77,036	2,26,17,564
	<b>Total</b>	<b>2,84,77,036</b>	<b>2,26,17,564</b>



Note : 24 Other Expenses

(Amount in ₹)

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
	<b>Manufacturing Expenses</b>		
1	Job Work Charges	18,81,861	36,63,786
2	Power & Fuel Expenses	4,25,43,931	4,30,09,601
3	Repair & Maintenance :-		
	Building	29,14,184	22,10,095
	Plant & Machinery	46,64,004	29,83,977
	<b>Administrative Expenses</b>		
4	Rent	21,64,430	20,05,750
5	Printing & Stationery	4,34,691	3,21,935
6	Postage & Telephone	12,19,005	10,68,087
7	Vehicle Running Expenses	11,81,290	12,65,510
8	Fees & Taxes	25,07,109	16,46,953
9	Travelling Expenses:		
	Directors	23,12,558	22,72,151
	Others	17,62,084	34,38,849
10	Legal & Professional Charges	15,38,157	24,69,931
11	Miscellaneous Expenses	5,75,613	23,76,494
12	Auditor's Remuneration	1,00,000	1,00,000
13	Insurance	5,23,407	4,47,710
14	Key-man Insurance	6,90,822	4,93,866
15	Office Expenses	8,54,545	5,19,224
	<b>Selling &amp; Distribution Expenses</b>		
16	Advertisement Expenses	3,23,853	47,891
17	Commission	92,98,202	99,52,006
18	Freight Outward	3,30,07,912	6,07,31,718
19	Sales Promotion	29,92,016	27,30,209
20	Additional Entry Tax	7,77,252	4,85,602
21	Other Selling Expenses	3,22,486	1,89,218
	<b>Total</b>	<b>11,45,89,413</b>	<b>14,44,30,563</b>

## Notes to Accounts as referred in Standalone Financial Statements for the Year ended 31st March 2016

### Note No.25 Contingent Liabilities

Contingent liability not provided for in respect of :

- Bank Guarantees of Rs. 2,106.52 Lacs (Previous year Rs. 1,751.10 Lacs)
- Bills Discounted of Rs. NIL (Previous Year Rs. 111.63)
- Accrued Liability for Leave Encashment of Rs. 3.32 Lacs (Previous Year Rs. 3.94/- Lacs)
- Accrued Liability for Gratuity Outstanding of Rs. 37.12 Lacs (Previous Year Rs. 44.78/- Lacs)
- Outstanding letters of credit amounting to Rs. 1,382.46 Lacs (Previous year Rs. 125.00 Lacs)
- Entry Tax Payable Rs. 111.42 Lacs (Previous Year Rs. 111.42 Lacs)
- Corporate Guarantees of Rs. NIL (Previous Year Rs. 3,000.00 Lacs, 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.26

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. 1,24,79,805/- to the Department and gave the Bank Guarantee for an amount of Rs. 96,56,761/-. 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.

### Note No.27

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 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Note No.28 Disclosure regarding computation of EPS in accordance with AS-20

(Amount in ₹)

	Particulars	2016	2015
<b>A.</b>	<b>Basic EPS</b>		
	Profit After Tax As per P&L A/c (Rs.)	5,09,46,074	68,65,019
	Weighted Avg. Number of Equity Share	1,49,34,000	14,93,400
	Basic EPS(Rs.)	3.41	4.60

	Particulars	2016	2015
<b>B.</b>	<b>Diluted EPS</b>		
	Profit After Tax As per P&L A/c (Rs.)	5,09,46,074	68,65,019
	Diluted Number of Equity Shares O/s	1,49,34,000	14,93,400
	Diluted EPS (Rs.)	3.41	4.60
<b>C.</b>	<b>Computation of Diluted Number of Equity Shares</b>		
1.	Number of Equity Share	14,93,400	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 on sub-division of Shares and Bonus Shares	1,34,40,600	12,44,500
5.	Total Diluted Equity Shares (1+4)	1,49,34,000	14,93,400

\* The EPS for current Year is calculated upon 1,49,34,000 Equity Shares of Rs.5/- each while for previous Year it is calculated upon 14,93,400 Equity Shares of Rs.10/- each

**Note No.29 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.30 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.

**Key Management Personnel**

1. Mr. Naresh Kumar Bansal
2. Mr. Richi Bansal

**Relatives of Key Management Personnel**

1. Ms. Kumud Bansal
2. Mr. Nikhil Bansal

**B. Detail of Related Party Transactions**

(Amount in ₹)

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Remuneration Paid	NIL	37,20,000/-	4,45,000/-
Interest Paid	3,77,830/-	14,30,595/-	NIL
Rent Paid	NIL	13,66,720/-	6,00,000/-

**C. Amount due to / from Related Parties as on 31st March 2016**

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	65,10,604/-	2,71,06,675/-	1,75,000/-
Amount due from Related Parties	NIL	NIL	NIL

**Note No.31 FOB Value of Exports**

Particulars	2016	2015
Value of Exports (FOB) (₹)	31,05,43,382/-	79,11,51,839/-

**Note No.32 CIF Value of Imports**

Particulars	2016	2015
Value of Imports (CIF) (₹)	20,39,85,095/-	NIL

**Note No.33 Expenditure in Foreign Currency**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Expenditure in Foreign Currency	33,27,717/-	66,53,793/-

**Note No.34**

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

**Note No.35 Auditors Remuneration (excluding Service Tax)**

(Amount in ₹)

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Statutory Audit Fees	80,000/-	80,000/-
Tax Audit Fees	20,000/-	20,000/-
Other	NIL	NIL
<b>Total</b>	<b>1,00,000/-</b>	<b>1,00,000/-</b>

**Note No.36 Break-up of Managerial Remuneration**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Salary	37,20,000/-	34,33,200/-
Contribution to Provident Fund	21,600/-	23,616/-
Other Perquisites	79,200/-	79,200/-
<b>Total</b>	<b>38,20,800/-</b>	<b>35,36,016/-</b>

**Note No.37 Breakup of Directors Travelling Expenses**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Foreign Traveling	17,35,584/-	19,16,319/-
Inland Traveling	5,76,974/-	3,55,832/-
<b>Total</b>	<b>23,12,558/-</b>	<b>22,72,151/-</b>

**Note No.38**

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, 2016.

**Note No.39**

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 2016.

**Note No.40**

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

**Note No.41**

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

**Note No.42**

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 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 : 26-05-2016

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)



# CONSOLIDATED FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To  
The Members,  
Rama Steel Tubes Limited,  
Delhi.

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s Rama Steel Tubes Limited ("The company") and its subsidiary company ("the company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the the Group 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 adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and fair presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view 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 company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidences obtained by us and the audit evidences obtained by the other auditors in terms of their report as referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view, *subject to the note no. 11 where we do not express any opinion*, in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of subsidiary company whose financial statements reflect total assets of Rs.5,33,67,985/- as at 31st March, 2016, as well as total revenues of Rs. 26,49,31,146/- and net cash flows amounting to Rs.4,61,70,439/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

## 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 of the aforesaid consolidated financial statements.
- b) In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements, have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the company as on 31st March, 2016, taken on record by the Board of Directors, with no subsidiary company incorporated in India, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, we enclose "Annexure A" giving our separate report.
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
  - i. The Group has disclosed the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements as of 31st March 2016.
  - ii. The Group has made provision, in its consolidated financial statements 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, with no subsidiary company incorporated in India.

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

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

Place: New Delhi  
Dated: 26-05-2016

## Annexure “A” to the Independent Auditors’ Report -31st March 2016

### (Report on the Internal Financial controls under clause (i) of section 143 (3) of the Companies Act, 2013)

We have audited the internal financial controls over financial reporting of Rama Steel Tubes Limited (the Company), with no subsidiary company incorporated in India, as of 31 March, 2016 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company's Board of Directors of the company, with no subsidiary company incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act 2013 ("the Act").

#### Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company, there being no subsidiary company incorporated in India has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Place: New Delhi  
Dated: 26-05-2016



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

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

Consolidated Balance Sheet As at March 31, 2016

Amount in ₹

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	8,46,70,000	2,49,34,000
(b) Reserves and Surplus	3	18,25,40,735	18,20,43,974
(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	16,82,42,240	16,84,72,696
(b) Deferred Tax Liabilities (Net)	5	32,10,113	27,41,743
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	37,52,76,252	36,09,42,256
(b) Trade Payables	7	15,80,73,918	2,34,35,319
(c) Other Current Liabilities	8	7,60,20,491	19,06,19,834
(d) Short-Term Provisions	9	2,38,47,934	86,88,950
<b>Total Equity &amp; Liabilities</b>		<b>1,07,18,81,684</b>	<b>96,18,78,772</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		16,50,62,755	11,80,61,259
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		1,16,74,382	6,38,14,906
(b) Non-current investments	11	12,16,07,795	12,73,59,588
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	1,10,37,334	1,14,06,380
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories	13	31,67,44,848	25,61,73,135
(c) Trade receivables	14	23,53,61,868	11,13,33,740
(d) Cash and cash equivalents	15	6,61,53,206	7,45,48,448
(e) Short-term loans and advances	16	14,42,39,496	19,91,81,316
(f) Other current assets		-	-
<b>Total Assets</b>		<b>1,07,18,81,684</b>	<b>96,18,78,772</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 : 26-05-2016

Sd/-  
**Rajkumar Malik**  
(Chief Financial Officer)

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



Statement of Consolidated Profit & Loss for the Year Ended on March 31, 2016

			Amount in ₹	
Sr. No.	Particulars	Note No.	Year Ended 31-03-2016	Year Ended 31-03-2015
	<b>Income</b>			
I	Revenue from operations (Gross)	17	2,64,00,20,953	2,06,23,70,351
	Less: Excise Duty		(22,05,31,746)	(13,79,69,448)
	Gross Revenue from operations (Net)		2,41,94,89,207	1,92,44,00,903
II	Other Income	18	3,08,24,628	2,64,41,679
III	<b>Total Revenue (I + II)</b>		<b>2,45,03,13,836</b>	<b>1,95,08,42,583</b>
IV	<b>Expenses:</b>			
	Cost of Materials consumed	19	1,82,41,77,410	1,73,17,95,318
	Purchase of Stock-in-Trade		24,83,72,673	8,43,083
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	4,96,96,690	(3,81,05,424)
	Employee Benefit Expense	21	3,11,77,182	2,78,44,378
	Financial Costs	22	6,18,39,115	5,27,46,204
	Depreciation and Amortization Expense	23	2,84,81,149	2,26,17,564
	Other Expenses	24	12,03,06,577	14,44,30,563
	<b>Total Expenses (IV)</b>		<b>2,36,40,50,796</b>	<b>1,94,21,71,687</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>8,62,63,040</b>	<b>86,70,896</b>
VI	Exceptional Items	25	-	-
VII	Profit before Taxes (V - VI)		<b>8,62,63,040</b>	<b>86,70,896</b>
VIII	Tax expense:			
	(1) Current tax		2,55,30,300	50,17,145
	(2) Deferred tax		4,68,370	(37,46,684)
	(3) Income Tax for earlier years		31,609	5,15,873
	(4) Mat credit Entitlement		-	19,543
IX	Profit/(Loss) from the period from continuing operations	(VII-VIII)	<b>6,02,32,761</b>	<b>68,65,019</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>6,02,32,761</b>	<b>68,65,019</b>
XIV	Earning per equity share - Basic & Diluted		4.03	4.60

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 : 26-05-2016

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Kapil Datta  
(Company Secretary)

**Consolidated Cash Flow Statement for the Year Ended on March 31, 2016**

Amount in ₹

PARTICULARS	Year ended 31-03-2016		Year ended 31-03-2015	
	AMOUNT	TOTAL	AMOUNT	TOTAL
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra ordinary items		8,62,63,040		86,70,896
Add : Adjustment for Depreciation	2,84,81,149		2,26,17,564	
Interest & Finance Charges	6,18,39,115		5,27,46,204	
Gain / Loss on Sale of Fixed assets	(4,02,972)	8,99,17,292	14,31,310	7,67,95,078
		<b>17,61,80,332</b>		<b>8,54,65,974</b>
<b>Operating profit before working capital changes</b>				
<b>Adjustment for:</b>				
Increase/Decrease in Trade Receivables	(12,40,28,128)		6,44,52,961	
Increase/Decrease in Other receivables	5,30,80,813		(13,45,46,694)	
Increase/Decrease in Inventories	(6,05,71,714)		(4,89,91,550)	
Increase/Decrease in Trade & Other payable	1,91,61,141	(11,23,57,887)	7,10,93,742	(4,79,91,541)
<b>Cash generated from operations</b>		<b>6,38,22,445</b>		<b>3,74,74,433</b>
Cash flow before extra ordinary items		6,38,22,445		3,74,74,433
Income Tax Paid		(95,24,808)		(46,94,951)
Net cash from operating activities		<b>5,42,97,637</b>		<b>3,27,79,482</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(2,55,76,649)		(6,71,70,982)	
Sale of Fixed Assets	26,37,500		1,17,01,000	
Additions to Investments	57,51,793		(9,87,25,905)	
Advance for Fixed Assets	22,30,051		8,58,26,968	
Net Cash used in investing activities		<b>(1,49,57,305)</b>		<b>(6,83,68,919)</b>
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>				
Issue of Equity Shares	5,97,36,000		1,24,45,000	
General Reserve utilized for Issue of Bonus Shares	(5,97,36,000)		(1,24,45,000)	
Receipt/Repayment of secured loans	(1,06,07,655)		18,78,88,228	
Receipt/Repayment of unsecured loans	2,47,11,196		(4,74,20,515)	
Interest & Finance Charges	(6,18,39,115)		(5,27,46,204)	
Net cash generated from Financing activities		<b>(4,77,35,574)</b>		<b>8,77,21,509</b>
<b>NET CHANGE IN CASH EQUIVALENT (A+B+C)</b>		<b>(83,95,242)</b>		<b>5,21,32,071</b>
<b>CASH &amp; CASH EQUIVALENT</b>				
Opening Balance		7,45,48,448		2,24,16,377
Net Change in Cash & Cash Equivalent		(83,95,242)		5,21,32,071
Closing Balance		<b>6,61,53,206</b>		<b>7,45,48,448</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 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 : 26-05-2016

Sd/-  
**Rajkumar Malik**  
(Chief Financial Officer)

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

## Notes Forming Integral Part of the Consolidated Financial Statement as at March 31, 2016

### Note No.1 Basis of Consolidation and Significant Accounting Policies as referred to in the Consolidated Financial Statements for the Year ended 31st March 2016

#### 1) Basis of Preparation of Financial Statements

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.

#### 2) Principles of Consolidation

The consolidated Financial Statements have been prepared on the following basis :

- i). The Financial Statements of the Subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company.
- ii). The Financial Statements of the Company and its Subsidiary Company have been combined on a line-by-line basis by adding together like items of Assets, Liabilities, Income and Expenses. Inter-company Balances and transactions and unrealized gains/losses have been fully eliminated.
- iii). As the company has only one subsidiary and the entire equity Capital of the same is held by the Company, there is no Minority Interest in the Net Assets of Subsidiary.

#### 3) 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.

#### 4) 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.

#### 5) 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

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

#### 6) Inventories Valuation

Raw material is valued at cost (First in First Out basis) or net 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).

#### 7) 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.

**8) 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.
- d) 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.37,11,744/- (Previous Year Rs.44,77,787/-).
- b) Leave Encashment to Rs.3,31,750/- (Previous Year Rs.3,94,194/-) 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.43,41,385/- (Previous Year Rs.91,06,056/-) 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.

**Notes Forming Integral Part of the Consolidated Financial Statement as at March 31, 2016**

**Note : 2 Share Capital**

Amount in ₹

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	<b>AUTHORIZED CAPITAL</b>		
	1,50,00,000 Equity Shares of Rs.5/- each (As at Previous Year 15,00,000 Equity Shares of Rs.10/- each)	7,50,00,000	1,50,00,000
	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)	2,50,00,000	2,50,00,000
		10,00,00,000	4,00,00,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	1,49,34,000 Equity Shares of Rs.5/- each fully paid up (As at Previous Year 14,93,400 Equity Shares of Rs.10/- each fully paid up)	7,46,70,000	1,49,34,000
	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)	1,00,00,000	1,00,00,000
	<b>Total</b>	<b>8,46,70,000</b>	<b>2,49,34,000</b>

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

Particulars	Current Year	Previous Year
<b>Shares outstanding as at the beginning of the year 01-04-2015:</b>		
Equity Shares with Face Value of Rs.10/- each Fully paid	14,93,400	2,48,900
5% Non-Cumulative Redeemable Preference Shares of Rs.10/- each Fully paid	10,00,000	10,00,000
<b>Additions during the year:</b>		
Equity Shares of Rs.5/- each issued during the year on subdivision of Shares	29,86,800	-
Equity Shares of Rs.5/- each issued during the year as Bonus Shares	1,19,47,200	12,44,500
<b>Deletion during the year :</b>		
Equity Shares of Rs.10/- each deleted during the year on subdivision of Shares	14,93,400	-
<b>Shares outstanding as at the end of the year 31-03-2016</b>		
Equity Shares with Face Value of Rs.5/- each (Previous Year Rs.10/-each) Fully paid	1,49,34,000	14,93,400
5% Non-Cumulative Redeemable Preference Shares of Rs.10/- each Fully paid	10,00,000	10,00,000
<b>Total</b>	<b>1,59,34,000</b>	<b>24,93,400</b>

**Details**

- 29,86,800 Equity Shares of Rs.5/- each were allotted on March, 16,2016 to the existing shareholders in the ratio of 1 : 2 in lieu of 14,93,400 Equity Shares of Rs.10/- each consequent to sub-division of Equity Share from Rs.10/- each to Rs.5/- each (In lieu of every one equity share of Rs.10/- each held, two equity shares of Rs.5/- each allotted)
- 1,19,47,200 Equity Shares of Rs.5/- each were allotted as Bonus Shares on March, 16,2016 to the existing shareholders in the ratio of 1 : 4 (For every one equity share of Rs.5/- each, four equity shares of Rs.5/- each allotted)
- 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 Equity Share of Rs.50/- each five bonus equity shares of Rs.10/- each allotted )



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

Name of the Shareholder	Current Year		Previous Year	
	No. of shares	% of Holding	No. of shares	% of Holding
Naresh Kumar Bansal	74,28,000	49.74%	7,42,800	49.74%
Richi Bansal	12,93,000	8.66%	1,29,300	8.66%
Nikhil Naresh Bansal	12,66,000	8.48%	1,26,600	8.48%

**Note : 3 Reserve & Surplus**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
<b>1</b>	<b>General Reserve</b>		
	Balance brought forward from previous year	15,74,64,310	16,74,09,310
	Add: Aditions	1,00,00,000	25,00,000
	Less: Issue of Bonus Shares	(5,97,36,000)	(1,24,45,000)
		<b>10,77,28,310</b>	<b>15,74,64,310</b>
<b>2</b>	<b>Surplus (Statement of Profit &amp; Loss)</b>		
	Balance brought forward from previous year	2,45,79,664	2,04,55,375
	Add: Net Profit/ (Loss) for the Year	6,02,32,761	68,65,019
	Less: Transfer to Reserves	1,00,00,000	25,00,000
	Less: Salvage value of Fixed Assets Written off	-	(2,40,729)
	Closing Balance	<b>7,48,12,425</b>	<b>2,45,79,664</b>
	<b>Total</b>	<b>18,25,40,735</b>	<b>18,20,43,974</b>

**Note : 4 Long Term Borrowings**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
	<b>Secured</b>		
1	Term Loan		
	- From Bank	13,29,68,959	15,72,46,998
	- From Others	4,09,391	10,73,004
	<b>Unsecured</b>		
2	- Fixed Deposit	-	-
3	- From related parties	3,21,03,235	66,97,694
4	- Security Deposits from Dealer	27,60,655	34,55,000
	<b>Total</b>	<b>16,82,42,240</b>	<b>16,84,72,696</b>

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

Sr. No.	Loan Amount	
1	Term Loan amounting Rs. 4,00,74,231 (P.Y.Rs.3,97,34,231)	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. 10.40%)
2	Term Loan amounting Rs. 8,17,01,669 (P.Y.Rs.9,04,28,118)	Repayable in 120 monthly installments commencing from August, 2014. Last installment due in Oct., 2023. Rate of interest 10.25% p.a as at year end ( P.Y. 12.00%)
3	Term Loan amounting Rs.1,11,93,059 (P.Y.Rs.2,70,84,649)	Repayable in 60 monthly installments commencing from Oct,2015. Last installment due in Sept., 2020. Rate of interest 12.15% p.a as at year end. (P.Y.13.95%)
4	Term Loan amounting Rs.4,09,391 ( P.Y.Rs.10,73,004)	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%)
<p><b>Nature of Security of sub Note 1.1 of Note no. 4:-</b> Secured against mortgage of Jaypee Greens, Greater Noida, UP.  <b>Nature of Security of sub Note 1.2 of Note no. 4:-</b> Secured against mortgage of Plot No131,sector-44,Gurgaon.  <b>Nature of Security of sub Note 1.3 of Note No.4 :-</b> Secured by hypothecation of Plant and Machinery  <b>Nature of Security of sub Note 1.4 of Note no. 4:-</b> Secured by hypothecation of vehicles.</p>		

Installments falling due in respect of all the above Loans upto 31.03.2017 have been grouped under "Current maturities of long-term Debt" (Refer Note 8)

**Note : 5 Deffered Tax Liabilities**

Amount in ₹

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
	<b>Deffered Tax Liabilities</b>		
	-Opening Balance	27,41,743	64,88,427
	-Additions during the Year	4,68,370	(37,46,684)
	<b>Total</b>	<b>32,10,113</b>	<b>27,41,743</b>

**Note : 6 Short Term Borrowing**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
	<b>Secured</b>		
1	<b>Working Capital Loans Repayable on Demand</b>		
	- From Bank (including Packing Credit Limit )	37,52,76,252	36,09,42,256
	<b>Total</b>	<b>37,52,76,252</b>	<b>36,09,42,256</b>

Working Capital facilities from Bank are secured by first charge on inventories and book debts and first charge on all immoveable assets of the company and further guaranteed by Sh. Naresh Kumar Bansal, Managing Director & Sh. Richi Bansal, Director of the Company.

**Note : 7 Trade Payable**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Sundry Creditors for Raw Material	13,56,53,133	8,86,837
2	Sundry Creditors for Expenses	1,72,58,461	1,76,80,465
3	Expenses Payable	51,62,324	48,68,017
		-	-
	<b>Total</b>	<b>15,80,73,918</b>	<b>2,34,35,319</b>

**Note : 8 Other Current Liabilities**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Current Maturities of Long Term Debt	2,73,38,452	1,80,19,157
3	Advance From Customers	3,74,12,174	8,06,52,555
4	Statutory Liabilities	1,12,69,865	71,15,440
5	Bank Overdraft-Bank of India	-	8,48,32,682
	<b>Total</b>	<b>7,60,20,491</b>	<b>19,06,19,834</b>

**Note : 9 Short Term Provisions**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Provision for Excise Duty on Finished Goods	69,05,243	77,83,359
2	Provision for Taxation(Net)	1,69,42,691	9,05,591
	<b>Total</b>	<b>2,38,47,934</b>	<b>86,88,950</b>

**Note No. 10 on Tangible Assets (Consolidated)**

Particulars	Gross Block			Total As on 31-03-2016	Depreciation			Net Block		
	As on 01-04-2015	Additions During the Year	Sales/ ADJ. During the Year		Upto 31.03.2015	During the Year	Adjustment During The Year	Upto 31.03.2016	W.D.V. As on 31-03-2016	W.D.V. As on 31-03-2015
I)										
Land (B-21 Sahibabad)	4,90,946	-	-	4,90,946	-	-	-	-	4,90,946	4,90,946
Land (B-5 Sahibabad)	49,54,518	-	-	49,54,518	-	-	-	-	49,54,518	49,54,518
Land (B-25/1 Sahibabad)	39,02,462	-	-	39,02,462	-	-	-	-	39,02,462	39,02,462
Land (Khapoli)	57,13,583	20,73,025	-	77,86,608	-	-	-	-	77,86,608	57,13,583
Land (Mumbai)	24,85,000	6,00,000	-	30,85,000	-	-	-	-	30,85,000	24,85,000
Land (Plot 131, Gurgaon)	95,06,075	-	-	95,06,075	-	-	-	-	95,06,075	95,06,075
II)										
Office -1 Mumbai	1,96,500	-	-	1,96,500	1,71,238	11,016	-	1,82,254	14,246	25,262
Office -2 Mumbai	10,09,950	-	-	10,09,950	3,54,632	76,869	-	4,31,501	5,78,449	6,55,318
Factory Shed & Building BUILDING (PLOT NO.131)	1,20,64,901	1,78,74,094	-	2,99,38,995	72,23,068	20,96,321	-	93,19,389	2,06,19,606	48,41,833
	2,81,48,133	-	-	2,81,48,133	51,65,258	22,51,074	-	74,16,332	2,07,31,801	2,29,82,875
III										
Plant & Machinery	17,29,30,673	5,20,73,372	2,95,03,205	19,55,00,840	12,10,43,907	1,92,35,901	2,71,58,513	11,31,21,295	8,23,79,545	5,18,86,766
IV										
Furniture & Fixture	17,41,059	20,600	-	17,61,659	9,77,663	2,06,539	-	11,84,202	5,77,457	7,63,396
V										
Office Equipments	16,22,777	1,66,499	-	17,89,276	14,07,265	1,10,188	-	15,17,453	2,71,823	2,15,512
VI										
Laboratory Equipments	-	1,64,235	-	1,64,235	-	8,248	-	8,248	1,55,987	-
VII										
Vehicles	1,84,26,496	83,093	-	1,85,09,589	1,33,09,763	17,66,307	-	1,50,76,070	34,33,519	51,16,733
VIII										
Generator Set	63,09,143	4,26,645	-	67,35,788	46,45,295	4,13,250	-	50,58,545	16,77,243	16,63,848
IX										
Air-Conditioners	48,05,352	3,46,862	-	51,52,214	33,02,912	9,38,693	-	42,41,605	9,10,609	15,02,440
X										
Electric Fittings & Installations	23,53,376	32,90,484	-	56,43,860	10,92,183	12,11,636	-	23,03,819	33,40,041	12,61,193
XI										
Computers - Hardware	13,34,287	3,61,949	-	16,96,236	12,40,787	1,24,613	-	13,65,400	3,30,836	93,500
XII										
Computers - Software	-	3,46,478	-	3,46,478	-	30,494	-	30,494	3,15,984	-
<b>Total for the Year</b>	<b>27,79,95,231</b>	<b>7,78,27,336</b>	<b>2,95,03,205</b>	<b>32,63,19,362</b>	<b>15,99,33,971</b>	<b>2,84,81,149</b>	<b>2,71,58,513</b>	<b>16,12,56,607</b>	<b>16,50,62,755</b>	<b>11,80,61,260</b>
<b>Total Previous Year</b>	<b>28,19,31,115</b>	<b>94,37,154</b>	<b>1,33,73,039</b>	<b>27,79,95,230</b>	<b>13,73,16,408</b>	<b>2,26,17,564</b>	<b>-</b>	<b>15,99,33,971</b>	<b>11,80,61,259</b>	<b>14,46,14,708</b>

**CAPITAL WORK IN PROGRESS (CONSOLIDATED)**

Amount in ₹

Particulars	As at 01-04-2015	Additions	Total	Capitaized	As at 31-03-2016
Factory Shed and Building	1,62,28,076	59,42,620	<b>2,21,70,696</b>	1,62,28,076	<b>59,42,620</b>
Plant & Machinery	3,83,54,316	56,29,574	<b>4,39,83,890</b>	3,83,54,316	<b>56,29,574</b>
Office Equipments	-	1,02,188	<b>1,02,188</b>	-	<b>1,02,188</b>
Pre Operative Expenditure	25,60,704	-	<b>25,60,704</b>	25,60,704	-
Rolls	29,74,528	-	<b>29,74,528</b>	29,74,528	-
Air Conditioner	1,19,901	-	<b>1,19,901</b>	1,19,901	-
D.G.Set	4,26,645	-	<b>4,26,645</b>	4,26,645	-
Electric Fittings	31,50,736	-	<b>31,50,736</b>	31,50,736	-
<b>TOTAL FOR THIS YEAR</b>	<b>6,38,14,906</b>	<b>1,16,74,382</b>	<b>7,54,89,288</b>	<b>6,38,14,906</b>	<b>1,16,74,382</b>

**Note : 11 Non-Current Investment**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
<b>I</b>	<b>Investment in Joint Venture (Unquoted ,Trade)</b> M/s Pir Panchal Construction Pvt. Ltd. Joint Venture, Jammu *	1,96,99,505	2,97,92,683
<b>II</b>	<b>Investment in wholly owned Subsidiary Company (Unquoted ,Trade)</b> M/s RST International Trading FZE, Dubai	-	-
<b>II</b>	<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)	5,00,000	5,00,000
	60500 Equity Shares of Rs.10/- each in Uttam Value Steels Ltd. (Previous Year 60500 Equity Shares)	9,28,181	9,28,181
<b>III</b>	<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
<b>IV</b>	<b>Investment in Immovable Property</b> Immovable propert at Jaypee Green,Noida	10,04,79,910	9,61,38,525
	<b>Total</b>	<b>12,16,07,795</b>	<b>12,73,59,588</b>
	Aggregate book value of unquoted Investments	12,01,79,415	12,59,31,207
	Aggregate book value of quoted Investments	14,28,381	14,28,381
	Market Value of quoted Investments	-	-
	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 the Company has been prepared on the basis of provisional statements of accounts of Joint Venture Company.

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

Amount in ₹

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
I)	<b>Capital Advances</b>		
	Unsecured, Considered Good	17,48,375	39,78,426
II)	<b>Security Deposit</b>		
	Unsecured, Considered Good	85,00,959	73,45,954
III)	<b>Other Loans &amp; Advances</b>		
		7,88,000	82,000
	<b>Total</b>	<b>1,10,37,334</b>	<b>1,14,06,380</b>

**Note : 13 Inventories**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Raw Material	18,67,98,762	11,45,75,775
2	Raw Material in Transit	3,79,30,817	-
3	Finished Goods	9,05,65,235	14,00,88,521
4	Rejection & Scrap	9,23,334	10,96,738
5	Consumables	5,26,700	4,12,100
	<b>Total</b>	<b>31,67,44,848</b>	<b>25,61,73,135</b>

The closing stock of Finished Goods has been valued inclusive of Excise Duty amounting to Rs.69,05,243/- Previous Year Rs. 77,83,359/- as per ASI 14(Revised) issued by ICAI.

**Note : 14 Trade Receivables**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good :	1,22,44,637	1,32,34,343
2	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, Considered Good :	22,31,17,231	9,80,99,397
	<b>Total</b>	<b>23,53,61,868</b>	<b>11,13,33,740</b>

**Note : 15 Cash & Cash Equivalent**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	<b>Cash &amp; Cash Equivalent</b>		
	Cash Balance	35,78,706	26,59,079
	Bank Balance	97,10,923	4,30,29,375
	<b>Sub Total (1)</b>	<b>1,32,89,629</b>	<b>4,56,88,454</b>
2	<b>Other Bank Balances</b>		
	Fixed Deposits with Banks	4,84,68,549	2,70,68,549
	Accrued Interest on FDR's & Securities	43,95,028	17,91,445
	(In margin money with maturities more than three months and less than twelve months at inception)	-	-
	<b>Sub Total (2)</b>	<b>5,28,63,577</b>	<b>2,88,59,994</b>
	<b>Total [ 1+2]</b>	<b>6,61,53,206</b>	<b>7,45,48,448</b>

**Note : 16 Short Terms Loans and Advances**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Advance to Suppliers and Others	6,28,53,350	6,40,63,162
2	Prepaid Expenses	56,66,499	2,12,689
3	Advance Payment with Revenue Authorities (Indirect Taxes)	7,57,19,648	13,49,05,466
	<b>Total</b>	<b>14,42,39,496</b>	<b>19,91,81,316</b>



**Notes Forming Integral Part of the Statement of Consolidated Profit & Loss as on March 31, 2016**
**Note : 17 Revenue from Operations**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Sales (Finished Goods) - Domestic	2,05,80,00,833	1,21,86,96,042
2	Sales (Finished Goods) - Export	31,05,43,382	79,11,51,839
		2,36,85,44,215	2,00,98,47,881
3	Sales Traded Goods (Material Cleared as such)	26,53,90,484	8,58,274
4	Job Work	11,28,441	9,28,505
5	Export Incentive	49,57,813	5,07,35,691
	<b>Gross Revenue</b>	<b>2,64,00,20,953</b>	<b>2,06,23,70,351</b>
6	Less: Excise Duty	(22,05,31,746)	(13,79,69,448)
	<b>Total</b>	<b>2,41,94,89,207</b>	<b>1,92,44,00,903</b>

Sr. No.	Detail of Sale of Products	Current Year	Previous Year
	<b>Manufactured Goods :</b>		
1	Black Pipe/Tubes	1,77,17,11,562	1,11,34,48,148
2	GP Pipe/Tubes	46,96,38,059	80,14,57,895
3	Rejected Pipes /Scrap	8,72,97,910	8,12,39,771
4	Others	4,20,77,456	1,61,17,286
	Less:Rebate and Discount	(21,80,771)	(24,15,219)
		<b>2,36,85,44,215</b>	<b>2,00,98,47,881</b>
	<b>Trading Goods :</b>		
1	HR Strip/Coil / Steel Products	26,53,90,484	8,58,274
		<b>26,53,90,484</b>	<b>8,58,274</b>
	<b>Total</b>	<b>2,63,39,34,699</b>	<b>2,01,07,06,155</b>

**Note : 18 Other Income**

Sr. No.	Particulars	As at 31-03-2016	As at 31-03-2015
1	Interest Earned on FDRs	36,90,851	25,39,985
2	Profit On Sale of Fixed Assets	4,02,972	-
3	Misc. Income	1,70,69,685	2,12,47,986
4	Foreign Exchange Fluctuation *	96,61,120	26,53,708
	<b>Total</b>	<b>3,08,24,628</b>	<b>2,64,41,679</b>

\* The amount includes Rs.4,03,333/- and Rs.98,802/- being the gains on account of exchange rate variance as at 31-03-2016 on the outstanding amount of investment Rs.86,16,667/- and of Loan Rs.97,46,582/- respectively to the Wholly owned Subsidiary viz. RST International Trading FZE in Dubai

**Note : 19 Cost of Material Consumed**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	<b>Raw Materials</b>	<b>1,80,78,39,333</b>	<b>1,71,32,63,656</b>
	Opening Stock	11,45,75,775	10,35,55,350
	Add: Purchase	1,88,00,62,320	1,72,42,84,082
	Less: Closing Stock	(18,67,98,762)	(11,45,75,775)
2	<b>Stores and Spares</b>		
	Stores & Consumables	1,63,38,077	1,85,31,662
		-	-
	<b>Total</b>	<b>1,82,41,77,410</b>	<b>1,73,17,95,318</b>

Sr. No.	Detail of Raw Material Consumed Products	Current Year	Previous Year
1	HR Coil	1,70,55,94,583	1,54,87,64,564
2	Black pipe	1,98,73,385	3,28,92,175
3	Zinc	7,63,67,958	13,60,61,799
4	Others	2,23,41,484	1,40,76,780
	<b>Total</b>	<b>1,82,41,77,410</b>	<b>1,73,17,95,318</b>

The above Raw material consumed includes indigenous materials of Rs.165,82,09,185/- and imported material Rs.16,59,68,425/- during the year

**Note : 20 Change in Inventories**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Opening Stock Finished Goods	14,11,85,259	10,30,79,836
	<b>Total-1</b>	<b>14,11,85,259</b>	<b>10,30,79,836</b>
2	Closing Stock Finished Goods	9,14,88,569	14,11,85,259
	<b>Total-2</b>	<b>9,14,88,569</b>	<b>14,11,85,259</b>
	<b>Total (2-1)</b>	<b>4,96,96,690</b>	<b>(3,81,05,424)</b>

**Note : 21 Employee Benefit Expenses**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Salaries, Wages, Bonus etc.	2,89,32,130	2,51,36,197
2	Contribution to Provident and other Funds	16,80,508	20,41,440
3	Staff Welfare Expenses	5,64,544	6,66,741
	<b>Total</b>	<b>3,11,77,182</b>	<b>2,78,44,378</b>

**Note : 22 Financial Cost**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Interest Expense	5,48,86,166	4,02,37,184
2	Other Borrowing Cost	69,52,948	1,25,09,021
	<b>Total</b>	<b>6,18,39,115</b>	<b>5,27,46,204</b>

**Note : 23 Depreciation & Amortised Cost**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
1	Depreciation	2,84,81,149	2,26,17,564
	<b>Total</b>	<b>2,84,81,149</b>	<b>2,26,17,564</b>

**Note : 24 Other Expenses**

Sr. No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
	<b>Manufacturing Expenses</b>		
1	Job Work Charges	18,81,861	36,63,786
2	Power & Fuel Expenses	4,25,43,931	4,30,09,601
3	Repair & Maintenance :-		
	Building	29,14,184	22,10,095
	Plant & Machinery	46,64,004	29,83,977
	<b>Administrative Expenses</b>		
4	Rent	31,34,387	20,05,750
5	Printing & Stationery	4,34,691	3,21,935
6	Postage & Telephone	17,83,837	10,68,087
7	Vehicle Running Expenses	11,81,290	12,65,510
8	Fees & Taxes	25,07,109	16,46,953
9	Travelling Expenses:		
	Directors	23,12,558	22,72,151
	Others	43,27,787	34,38,849
10	Legal & Professional Charges	22,68,831	24,69,931
11	Miscellaneous Expenses	5,75,613	23,76,494
12	Auditor's Remuneration	1,00,000	1,00,000
13	Insurance	6,31,340	4,47,710
14	Key-man Insurance	6,90,822	4,93,866
15	Office Expenses	9,28,166	5,19,224
	<b>Selling &amp; Distribution Expenses</b>		
16	Advertisement Expenses	3,23,853	47,891
17	Commission	92,98,202	99,52,006
18	Freight Outward	3,30,07,912	6,07,31,718
19	Sales Promotion	36,96,460	27,30,209
20	Additional Entry Tax	7,77,252	4,85,602
21	Other Selling Expenses	3,22,486	1,89,218
		<b>12,03,06,577</b>	<b>14,44,30,563</b>

**Notes forming part of the Consolidated Financial Statements-Year ended 31st March 2016**

**Note No.25 : Contingent Liabilities**

Contingent liability not provided for in respect of :

- Bank Guarantees of Rs. 2,106.52 Lacs (Previous year Rs. 1,751.10 Lacs)
- Bills Discounted of Rs. NIL (Previous Year Rs. 111.63)
- Accrued Liability for Leave Encashment of Rs. 3.32 Lacs (Previous Year Rs. 3.94/- Lacs)
- Accrued Liability for Gratuity Outstanding of Rs. 37.12 Lacs (Previous Year Rs. 44.78/- Lacs)
- Outstanding letters of credit amounting to Rs. 1,382.46 Lacs (Previous year Rs. 125.00 Lacs)
- Entry Tax Payable Rs. 111.42 Lacs (Previous Year Rs. 111.42 Lacs)
- Corporate Guarantees of Rs. NIL (previous Year Rs. 3,000.00 Lacs, 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.26

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. 1,24,79,805/- to the Department and gave the Bank Guarantee for an amount of Rs. 96,56,761/-. 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.

#### Note No.27

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 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### Note No.28 Disclosure regarding computation of EPS in accordance with AS-20

	Particulars	As at 31-03-2016	As at 31-03-2015
<b>A.</b>	<b>Basic EPS</b>		
	Profit After Tax As per P&L A/c (Rs.)	6,02,32,761	68,65,019
	Weighted Avg. Number of Equity Share	1,49,34,000	14,93,400
	Basic EPS(Rs.)	4.03	4.60
<b>B.</b>	<b>Diluted EPS</b>		
	Profit After Tax As per P&L A/c (Rs.)	6,02,32,761	68,65,019
	Diluted Number of Equity Shares O/s	1,49,34,000	14,93,400
	Diluted EPS (Rs.)	4.03	4.60

	Particulars	As at 31-03-2016	As at 31-03-2015
<b>C.</b>	<b>Computation of Diluted Number of Equity Shares</b>		
1.	Number of Equity Share	14,93,400	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 on sub-division of Shares and Bonus Shares	1,34,40,600	12,44,500
5.	Total Diluted Equity Shares (1+4)	1,49,34,000	14,93,400

\* The EPS for current Year is calculated upon 1,49,34,000 Equity Shares of Rs.5/- each while for previous Year it is calculated upon 14,93,400 Equity Shares of Rs.10/- each

#### Note No.29 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.30 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 Products Pvt. Ltd
2. M/s Ravi Developers Pvt. Ltd.
3. M/s Gujarat Hi-Tech Steel Pvt. Ltd.

##### Key Management Personnel

1. Mr. Naresh Kumar Bansal
2. Mr. Richi Bansal

##### Relatives of Key Management Personnel

1. Ms. Kumud Bansal
2. Mr. Nikhil 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	NIL	37,20,000/-	4,45,000/-
Interest Paid	3,77,830/-	14,30,595/-	NIL
Rent Paid	NIL	13,66,720/-	6,00,000/-

**C. Amount due to / from Related Parties as on 31st March 2016**

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	65,10,604/-	2,71,06,675/-	1,75,000/-
Amount due from Related Parties	NIL	NIL	NIL

**Note No.31 FOB Value of Exports**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Value of Exports (FOB) (₹)	31,05,43,382/-	79,11,51,839/-

**Note No.32 CIF Value of Imports**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Value of Imports (CIF) (₹)	20,39,85,095/-	NIL

**Note No.33 Expenditure in Foreign Currency**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Expenditure in Foreign Currency	33,27,717/-	66,53,793/-

**Note No.34**

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

**Note No.35 Auditors Remuneration (excluding Service Tax)**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Statutory Audit Fees	80,000/-	80,000/-
Tax Audit Fees	20,000/-	20,000/-
Other	NIL	NIL
<b>Total</b>	<b>1,00,000/-</b>	<b>1,00,000/-</b>

**Note No.36 Break-up of Managerial Remuneration**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
Salary	37,20,000/-	34,33,200/-
Contribution to Provident Fund	21,600/-	23,616/-
Other Perquisites	79,200/-	79,200/-
<b>Total</b>	<b>38,20,800/-</b>	<b>35,36,016/-</b>

**Note No.37 Breakup of Directors Travelling Expenses**

Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
i).Foreign Travelling	17,35,584/-	19,16,319/-
ii).Inland Travelling	5,76,974/-	3,55,832/-
<b>Total</b>	<b>23,12,558/-</b>	<b>22,72,151/-</b>



**Note No.38**

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, 2016.

**Note No.39**

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 2016.

**Note No.40**

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

**Note No.41**

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

**Note No.42**

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

**Note No. 43 Statement containing salient features of the financial statement of subsidiaries**

	Particulars	As at 31-03-2016
	Name of the Subsidiary	RST International Trading FZE
1	Reporting Period	31-03-2016
2	Share Capital	90,20,000
3	Reserves & Surplus	92,86,686
4	Total Assets	5,33,67,985
5	Total Liabilities	3,50,61,299
6	Investments	-
7	Turnover	26,49,31,146
8	Profit/(loss) before taxation	92,86,686
9	Provision for taxation	-
10	Profit/(loss) after taxation	92,86,686
11	Proposed dividend	-
12	% of shareholding	100%

**Additional Information**

1 Converted into INR from at the exchange rate 1 AED = 18.04 INR

2 The Financial Statements have been audited by Auditors other than VAPS & Company, Chartered Accountants

**As per our Separate Audit Report of even date Attached**

for VAPS & Company

Chartered Accountants  
Firm Reg. No.: 003612N

Sd/-  
(P.K.Jain)

Partner  
Membership No. : 82515

Place : New Delhi  
Date : 26-05-2016

for and on behalf of the Board

Sd/-  
Naresh Kumar Bansal  
(Managing Director)

Sd/-  
Rajkumar Malik  
(Chief Financial Officer)

Sd/-  
Richi Bansal  
(Director)

Sd/-  
Kapil Datta  
(Company Secretary)

## NOTICE

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting of the members of Rama Steel Tubes Limited will be held on Friday, the 30<sup>th</sup> day of September, 2016 at 11.30 a.m. at Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi- 110092, to transact the following business:-

### ORDINARY BUSINESS

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

To consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March 2016, 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 ratify appointment of 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 pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee, and pursuant to resolution passed by the members at the AGM held on September 29, 2015, the appointment of M/s. VAPS & COMPANY, Chartered Accountants (Registration No. 003612N), as the Auditors of the Company, to hold office till the conclusion of next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017”.

### SPECIAL BUSINESS

#### Item no. 4 – Appointment of Mr. Surender Kumar Sharma as Director

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

“Resolved that, Mr. Surender Kumar Sharma (DIN- 03594435) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 4, 2016 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

#### Item no. 5 – Approval of remuneration of the Cost Auditors for the financial year ending March 31, 2017

**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, 2017, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

#### Notes:

1. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Wednesday, September 28, 2016 to Friday, September 30, 2016.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

6. Information and other instructions relating to e-voting are as under :
- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulation 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").
  - ii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - iii. The Board of Directors of the Company has appointed Mr. Vipin Aggarwal, a Practicing Chartered Accountant, Partner, VAPS & Company, New Delhi as Scrutinizer to scrutinize the Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  - iv. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2016.
  - v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 23, 2016 only shall be entitled to avail the facility of remote e-voting / Poll.
  - vi. The e-voting period commences on Tuesday, 27th September, 2016 (9.00 a.m. IST) and ends on Thursday, 29th September, 2016 (5.00 p.m. IST). During this period, Members may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 23, 2016 i.e. the cut-off date.
  - vii. The instructions and other information for e-voting are as under:
    - A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants)
      - 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. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forget User Details / Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
      - b) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
      - c) Click on "Shareholder – Login".
      - d) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - 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](mailto:vipin_1960@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
    - B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy):
      - a) Initial Password is provided at the bottom of the Attendance Slip for the AGM  
USER ID:  
PASSWORD:
      - b) Please follow all steps from pt. (a) to pt. (l) above, to cast vote.

- viii. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Members and remote e-voting user manual for members available at the downloads selection of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990
- ix. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- x. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23, 2016, may obtain the login ID and password by sending a request referring the Company name (i.e., Rama Steel Tubes Limited) along with the DP and Client ID Particulars to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- xi. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall be placed on the website of the Company.

By order of the Board of Directors

Date: August 10, 2016  
Place : New Delhi

Sd/-  
**NARESH KUMAR BANSAL**  
Chairman & Managing Director

## Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item nos. 4 & 5 of the accompanying Notice:

### Item no. 4

The Board appointed Mr. Surender Kumar Sharma, as Additional Director with effect from May 4, 2016. The Board has also appointed him as Executive Director effective the same date, subject to the approval of the Members.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

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

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

### Item no. 5

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, 2017 as per the following details:

Sr. No.	Name of the Cost Auditor	Financial Year	Audit Fees
1	M/s S. Shekhar & Company	2016-17	₹ 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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. 5 of the Notice for approval by the members.

By order of the Board of Directors

Date: August 10, 2016  
Place : New Delhi

Sd/-  
**NARESH KUMAR BANSAL**  
Chairman & Managing Director

## Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulation 2015)

**Mr. Richi Bansal**, aged 37 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 company: NIL**

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

**Number of Shares held in the Company: 1293000 Equity Shares of Rs.5/- each**

**Mr. Surender Kumar Sharma**, aged around 60 Years, is a Commerce Graduate from Meerut University. He joined Rama Group in the Year 1986 and over the last three decades, has contributed significantly across different managerial functions in the Company. His hard work and ability to persevere, on many occasions, had added tremendous value and benefited the organization.

Recognizing his dedication, hard work and invaluable contribution to the Company's growth, Mr. Sharma has been promoted to the position of Director in April 2016.

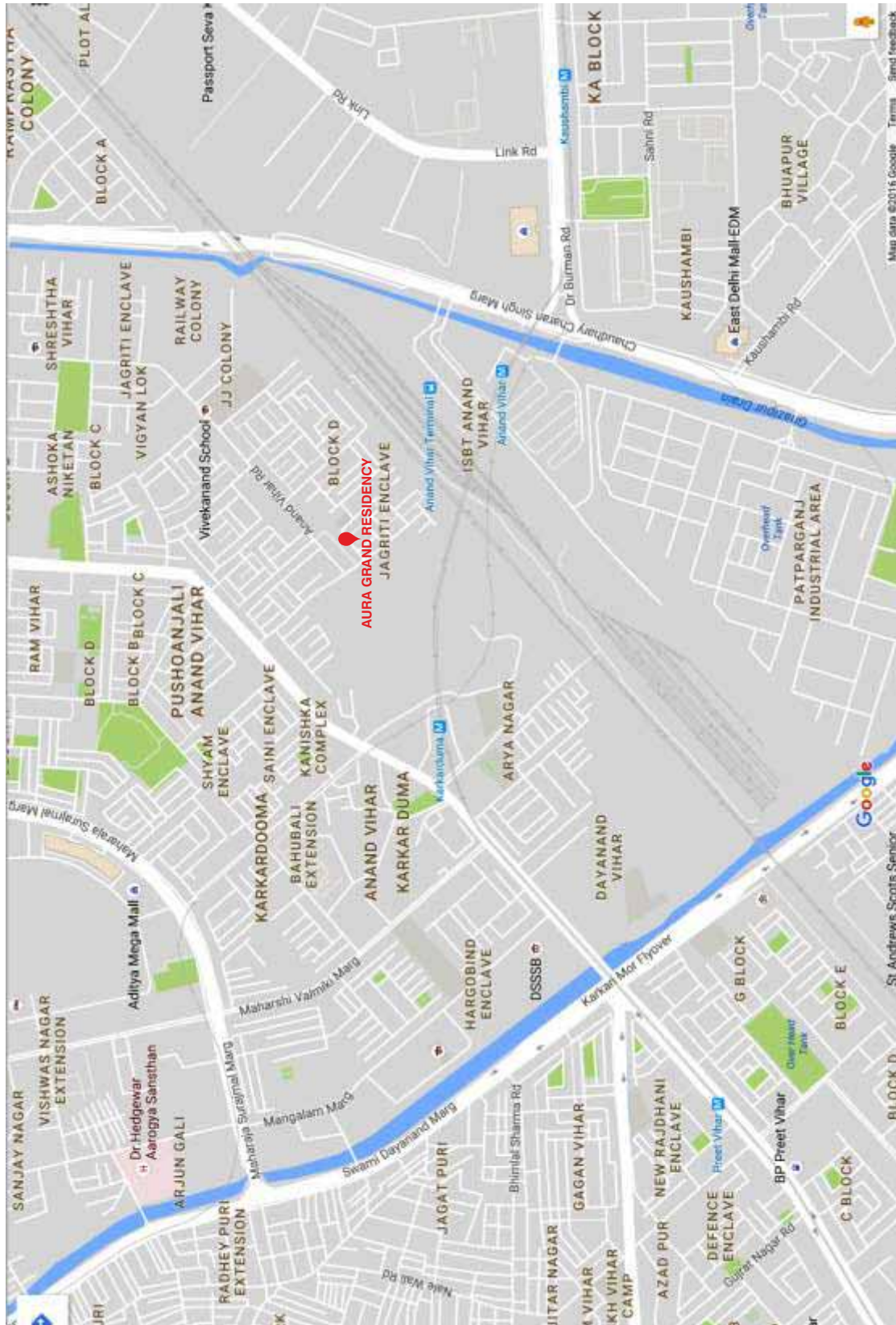
**Directorships held in other public company: NIL**

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

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



## ROUTE MAP OF THE VENUE FOR ANNUAL GENERAL MEETING



**42<sup>nd</sup> Annual General Meeting Venue:**

**Aura Grand Residency**  
439, Jagriti Enclave, Near Karkardooma  
Metro Station, Delhi- 110092



**RAMA STEEL TUBES LIMITED**  
CIN: L27201DL1974PLC007114

**Regd. Office: No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110 092.**

**ATTENDANCE SLIP**  
**42<sup>nd</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 42<sup>nd</sup> Annual General Meeting of the Company at its Aura Grand Residency, 439, Jagriti Enclave, Near Karkardooma Metro Station, Delhi- 110092 on Friday, September 30, 2016 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**  
CIN: L27201DL1974PLC007114  
**Regd. Office: No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110 092.**  
**PROXY FORM**

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

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 42nd Annual General Meeting of the Company to be held on Friday,

September 30, 2016 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.	Appointment of Mr. Surender Kumar Sharma as Director		
5.	Approval of remuneration of the Cost Auditors for the financial year ending March 31, 2017		

Signed this .....day of .....2016

Signature of the Proxy holder(s)

Signature of the shareholder



**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.**



RAMA STEEL TUBES LTD.  
CIN: L27201DL1974PLC007114



**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', 'expect', '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 subjects to know 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 of outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the 'Outlook, risk 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 reflects futures events or circumstances unless required to do so by law.



## **Rama Steel Tubes Ltd.**

CIN: L27201DL1974PLC007114

Regd. Off. : No. 7, 1st Floor, Surya Niketan, Vikas Marg,  
New Delhi-110 092.

[www.ramasteel.com](http://www.ramasteel.com)