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CIN : L70109GJ1983PLC006460



RMTL/SEC/ANNUAL REPORT 2017-18/09VIII

9th August, 2018

To, BSE Ltd. Corporate Relationship Department 1 st Floor, New Trading Ring, Rotunda Building, P. J. Tower, Dalal Street, Fort, Mumbai – 400 001 Company Code : 520111	To, National Stock Exchange of India Ltd. "Exchange Plaza", 5th Floor, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051 Company code : RATNAMANI
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Subject: Submission of the Annual Report for the F.Y. 2017-18

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the financial year 2017-18 duly approved and adopted by the members of the Company at the 34th Annual General Meeting held on Thursday, 9th August, 2018.

Please take the above on your record.

Thanking you,

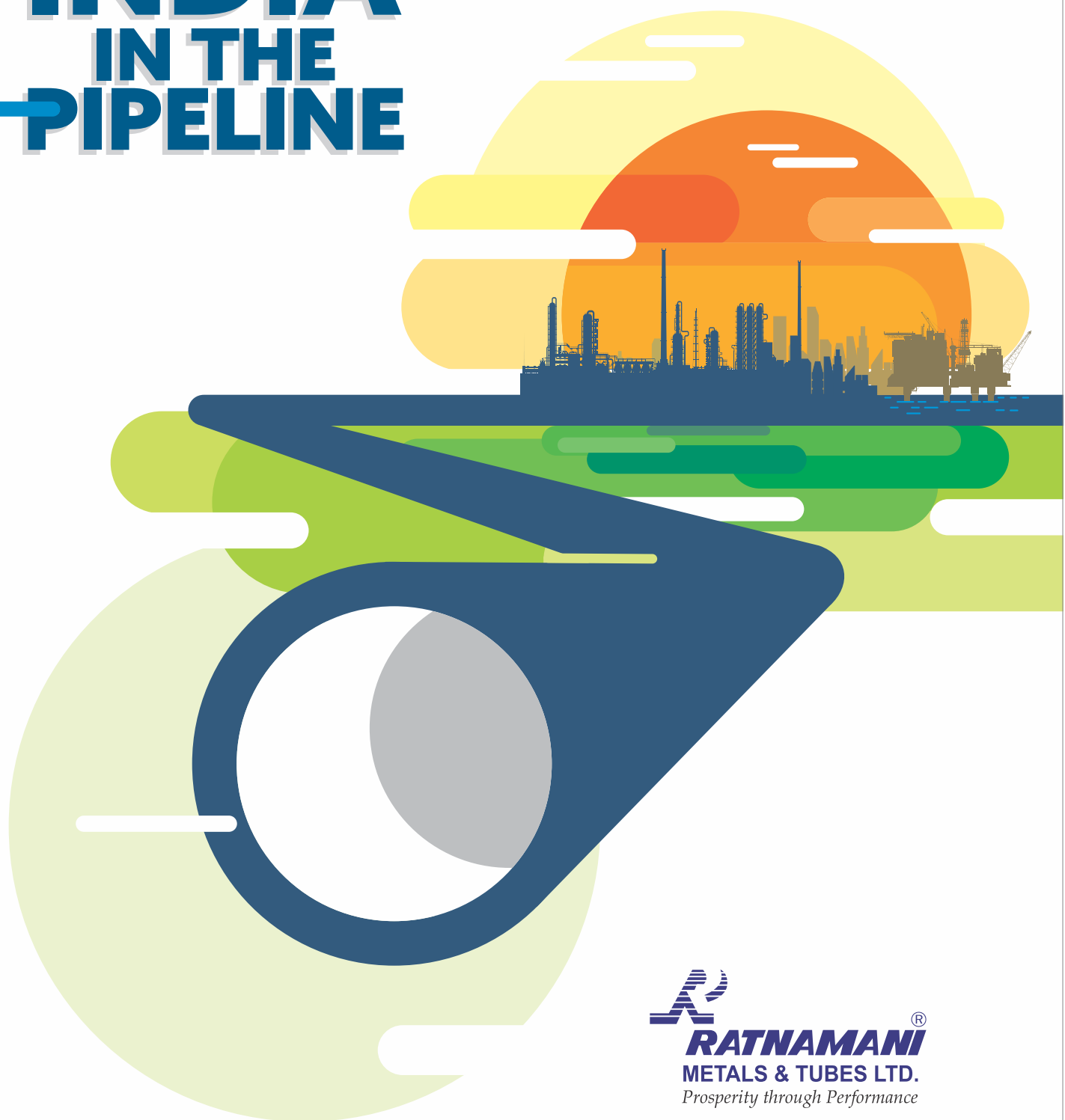
Yours faithfully,

For, RATNAMANI METALS & TUBES LIMITED

JIGAR SHAH
COMPANY SECRETARY

Encl.: As above

A GREATER INDIA IN THE PIPELINE




RATNAMANI[®]
METALS & TUBES LTD.
Prosperity through Performance

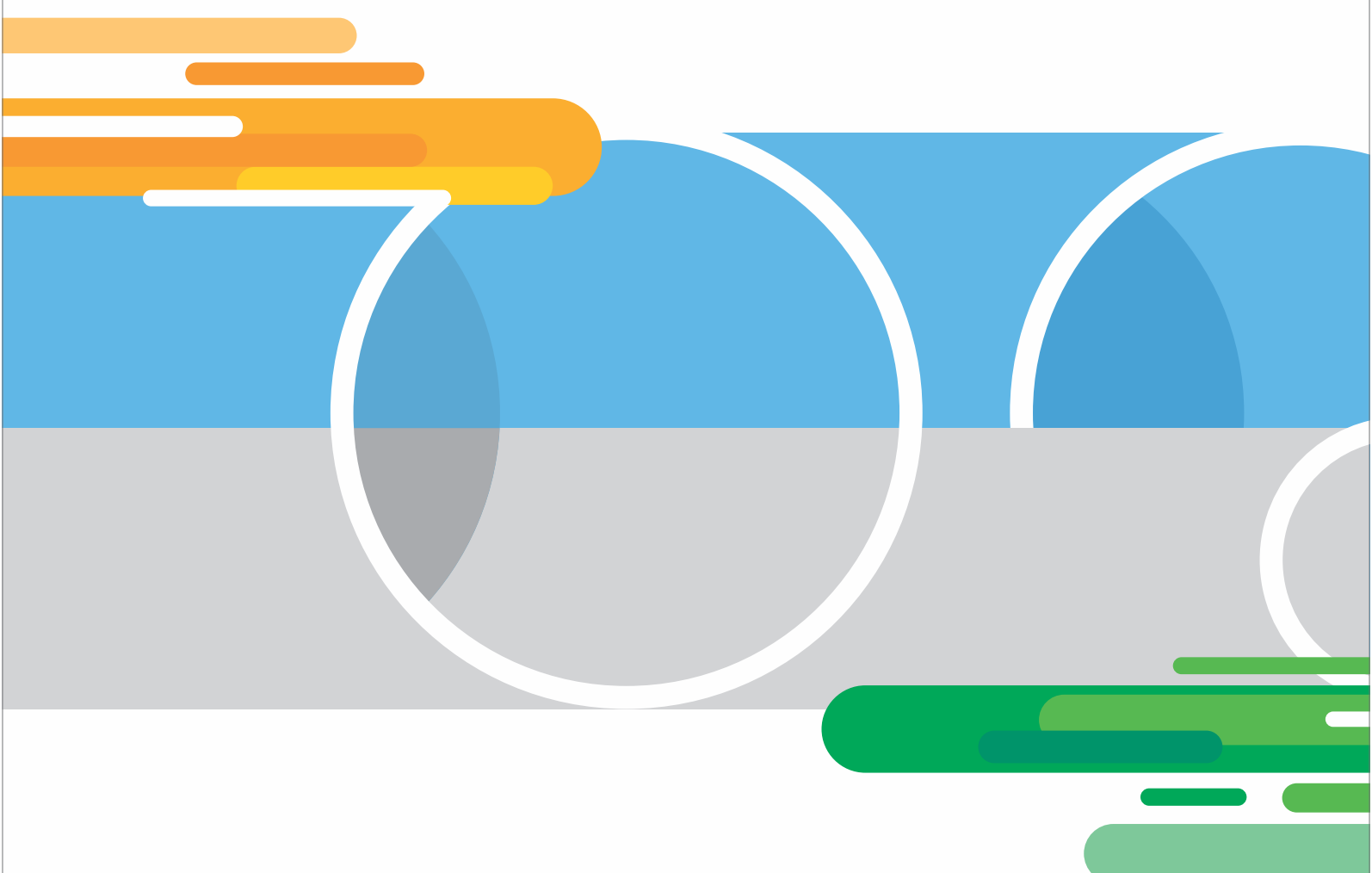
FLOW AND GROW

Pipelines are the 'arteries' of a nation's economic health – feeding every part of the economy with vital stuff like oil, gas, water, etc.; stuff that keeps it running smoothly.

By adding to the Country's pipeline infrastructure and servicing its core sectors, Ratnamani Metals & Tubes is contributing to a greater India. Since pipelines are an

economical mode of transportation, both the Nation's and the Company's future lies in making its use widespread.

By doing so, both add to their STRENGTH, DIVERSITY and PRESENCE; both ensure 'A Greater India in the Pipeline'.

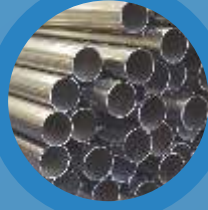


SAFE HARBOUR

Readers are cautioned that this discussion and analysis pertaining to Ratnamani Metals & Tubes Limited contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate," "believe," "estimate," "intend," "will," and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time and adequate restraint should be applied in their use for any decision making or formation of an opinion. This document does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This document neither gives any guarantee of return nor any recommendation of investment in the securities of the Company. The foregoing discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

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YOUR COMPANY

Your Company was incorporated in 1983 as Ratnamani Metals & Tubes Limited (Ratnamani). It is the market leader in manufacturing Tubes & Pipes in Stainless Steel/Exotic and also a significant player in manufacturing Carbon Steel Welded Pipes.

Your Company is a multi-location, multi-product enterprise. It provides critical Tubing and Piping Solutions across a varied range of Industries and niche markets in the core sectors like:

- ✓ Oil & Gas
- ✓ Thermal Power
- ✓ Chemicals
- ✓ Fertilizers
- ✓ Sugar
- ✓ Paper
- ✓ Automobiles
- ✓ Aeronautics
- ✓ Refinery
- ✓ Nuclear Power
- ✓ Petrochemicals
- ✓ Water Distribution
- ✓ Food & Dairy
- ✓ Pharmaceutical
- ✓ Defence
- ✓ Space Applications

The Company is headquartered in Ahmedabad and its manufacturing facilities are at Chhatral, Indrad and Kutch in Gujarat and its business offices are situated in Mumbai, Delhi, Hyderabad and Chennai. Its products are widely accepted by its end-user industries across India as well as abroad.


1983
Year of
incorporation

16+
Industries catered to

37
countries-
export presence



STRENGTH



Strength is not merely a matter of pride, it is a strategic position that allows an individual, organisation, or even a country, for that matter, to aim higher.

India's position of strength today lies in its strong fundamentals – one of the World's fastest growth stories in the midst of slowdowns elsewhere, one of the World's largest markets, among others. According to data and forecasts from the International Monetary Fund, India is on track to become the World's 5th largest economy by end - 2018. Over the decade, the Country passed France, Italy and Brazil and is all set to overtake the UK.

Ratnamani's journey has been similar to India's. Just a decade back, in 2008, our facility for Hot Extruded Mother Pipes became fully stabilised. Thereafter we secured approval from Saudi Aramco for Stainless Steel Seamless Tubes. A decade of capacity expansions and diversifications later, we are at a very important juncture, a year that has broken all records in terms of total order book as well as international orders.

In the coming decade too, we will keep doing what we do best – moving from strength to strength by working **at our core**.

AT OUR CORE

VISION

To attain global excellence by continuously developing and providing the best quality products and services

Exceeding customer expectations with innovative products and applications

Building value for all our stakeholders

To be a value-driven organisation and creating a benchmark in corporate citizenship

MISSION

To be leading Pipes and Tubes Manufacturing Company in Stainless Steel and Carbon Steel Industry

MAKING A DIFFERENCE IN OUR SPACE THROUGH:

Our Products and Services

- Offering wide products and services range
- Becoming the preferred supplier
- Delivering premium products and services
- Creating value for our customers

Our People

- Fostering team-work
- Nurturing talent
- Enhancing leadership capabilities
- Acting with passion and pace

Our Practices

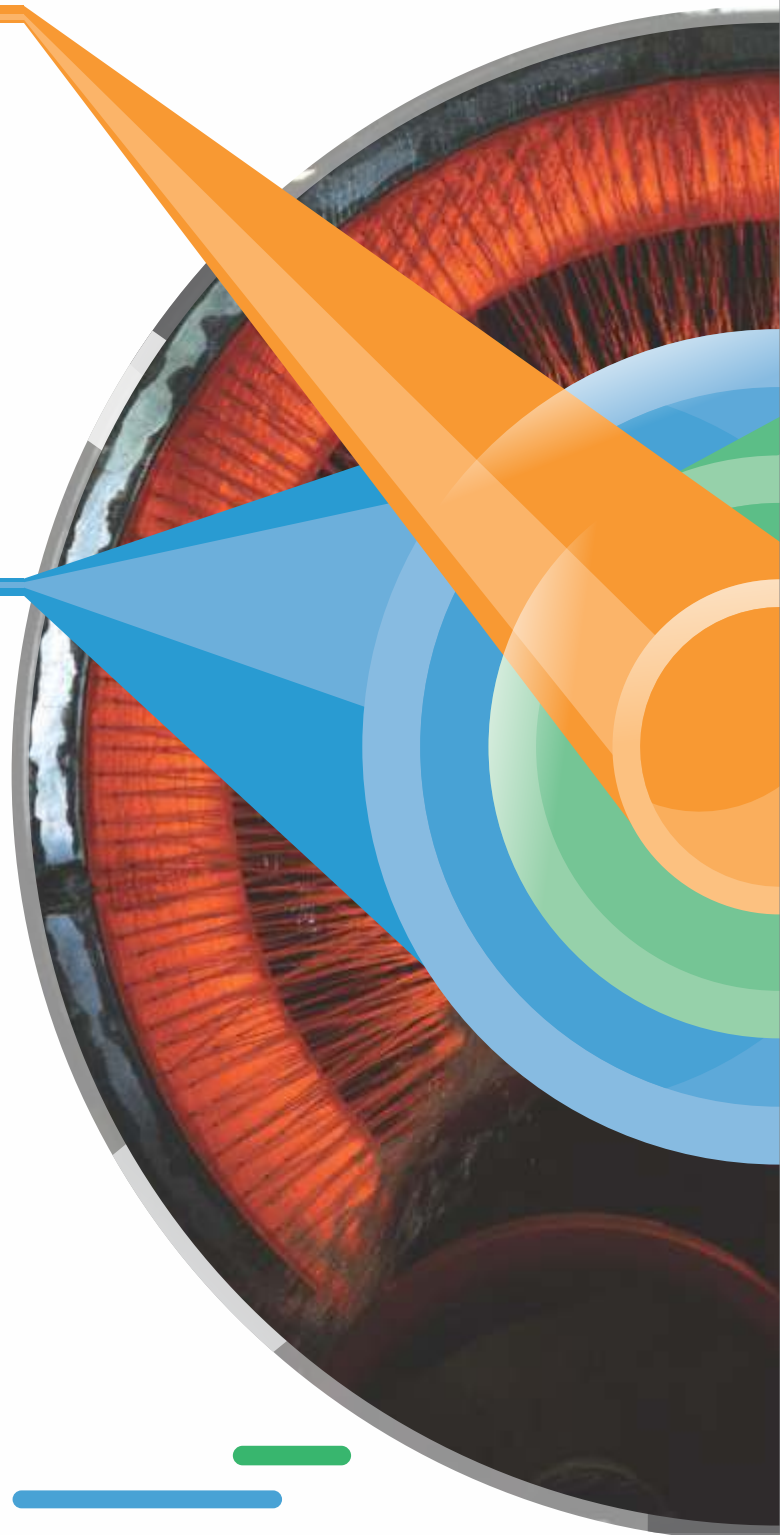
- Delivering the best, everytime
- Adapting robust processes and systems with a future-centric mindset

Our Innovative Mindset

- Developing cutting-edge solutions in technology, processes and products

Our Conduct

- Providing a safer work-place
- Respecting the environment
- Caring for communities





VALUES AND INTEGRITY

Customer Focus

We align our actions and applications to cater our customers' needs. Hence, being sincere to our commitment.

Passion

Our passion to excel propels us and the commitment to quality guides us towards success.

Innovation

Innovation with committed involvement is the work-ethic. We live by through every phase of our work.

Respect

Recognising and appreciating people for their character, knowledge, intellect, abilities and values.

Honouring them with our complete attention when they communicate and share their points of view with mutual respect. Work with sustainability of interdependence.

Integrity

Being true to the purpose and transparent.

Responsibility

Owning responsibility with a sense of belonging and striving for environmental protection.

Discipline

Pursue self-discipline in our beliefs, culture and code of conduct. Having pride in being disciplined and courageous with all our stakeholders.

FAITH AND STRENGTH KEEP US AHEAD



Greetings,

Recently, I came across this beautiful quote by our country's nation builder Sardar Vallabhbhai Patel, "Faith is of no avail in absence of strength. Faith and strength, both are essential to accomplish any great work." As I was pondering over the words, it struck me that these could apply to both our country as well as our company. It was particularly appropriate that the quote was by none other than the one who knitted together this great nation of ours, because we firmly believe our company is ultimately helping build a greater India. It was also fortuitous that the Sardar was called the Iron Man of India, because iron is the base metal in Steel Pipes and Tubes – the Industry we are in.

As a nation, India is known for its faith in every sense of the term. Stepping away from its religious flavour, we think of faith more as belief, trust and confidence.

We think of faith as a spiritual force that could move mountains. If we Indians didn't have faith in our sense of purpose and abilities, there wouldn't be an India standing shoulder to shoulder with the World's biggest economies today. That's our source of strength now.

And there are clear signs that it is this strength that is catapulting our country to even bigger things.

Our country grew the fastest among the major economies in the fourth quarter (Q4) of financial year 2017-18 (FY18) at 7.7%, leading to an upward revision in the GDP growth projection for the full year to 6.7%. This was driven in large parts by Q4 growth of 9.1% in manufacturing and 11.5% in construction sectors. Gross fixed capital formation, a proxy for the amount of investment in the economy, grew strongly at 7.6% in 2017-18 indicating a turnaround in the economy. Sequential growth in manufacturing that picked up in Q3 and Q4 of FY18, suggests that the initial dampening effect of GST on the economy is going away. With the contribution of net export growth being negative in all four quarters of 2017-18, growth has clearly been driven by domestic factors. According to Deloitte India, currently, the Indian economy is in a sweet spot, with most macro-prints on the upside, especially seen in terms of broad-based industry growth, improving sales data and positive sentiment. Of course, a note of caution is that the economy remains vulnerable to external risks, key among them is the anticipated rise in crude price and input costs.

They say India's massive population base that provides a large domestic market, is the Country's strength. That's only a partial view. Yes, we are a nation of a billion people, but we are also a nation of a billion dreams.

It is the people turning their dreams into reality in every nook and corner of our country that is making our nation great. We too started out with a modest dream in 1983; we wanted to make the best quality Pipes and Tubes. It was just faith then; today it has become our strength. Today, a typical pipe-making lifecycle consists of a series of about 200 rigorous tests at NABH Accredited Labs, right from the raw material to the finished product testing. Today, we have the Country's largest production facility in SS Pipes and Tubes, creating the widest range of products under one roof. Today, our pipes and tubes can stand on their own with the best in the world and make any Indian proud. Call it faith in our strength.

Pride is one thing; economics is another. Our products are contributing to the Country in more concrete and pragmatic ways too.

Take our ongoing capacity expansion program for the production of large diameter Stainless Steel (SS) Seamless Pipes. Presently the requirements of such pipes have to be met through costly imports. The additional capacity of 20,000 tonnes will be able to substitute all imports in this niche segment, thus saving the Country valuable foreign exchange. By being the first and the largest in the Country to manufacture SS Seamless Tubes and Pipes in the size ranging up to 10 inch NPS, we will also be able to further strengthen our leadership position in SS Pipes and Tubes.

We are not only saving foreign exchange through import-substitution, but are also earning it through exports. We achieved highest ever export of above Rs. 450 crores in F.Y. 2018. We have a presence in 37 countries, with major project-prints in Nigeria, Middle-East, Japan, South Korea, Europe and the US. Moreover, we are approved by major global entities in the oil & gas and power sectors.

The health of our economy is critically dependent on core sectors like oil & gas, refinery, petrochemicals,

power, energy, water, fertilizers, chemicals, defence, automobiles, among others. By serving the majors in these sectors, we believe that we are serving the Nation.

We believe that the future of profit is purpose. The environment and community will always remain an integral part of our production plans.

We take great pride in such efforts. Reflecting that pride, we have our state-of-the-art zero-discharge effluent plant and the artificial channel to hold 87,000 litres of rainwater runoff from adjoining areas at our Kutch plant. The humble sparrow, hitherto endangered by urban sprawl, is slowly making a comeback in many areas of Gujarat thanks to our 'Save the Sparrow' Campaign and the efforts of a very dedicated and passionate team. Since education is the master key to upliftment in backward areas, we are setting aside a good sum to improve enrolments and assume complete responsibility of the free education and stay of deserving students at the Ratnamani Education Campus. We also have several initiatives underway in the areas of women empowerment, healthcare and Swachh Bharat.

We are sure that faith and strength will keep us moving from strength to strength. We are thankful to our stakeholders, our investors, our clients, our partners, our suppliers, our people and our well-wishers for joining along with us for the journey. Your faith in us is our greatest strength. We vow to give our very best in order to live up to it.

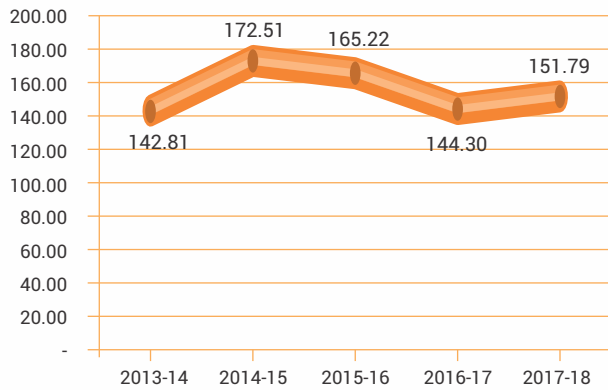
With warm regards,

Prakash M Sanghvi

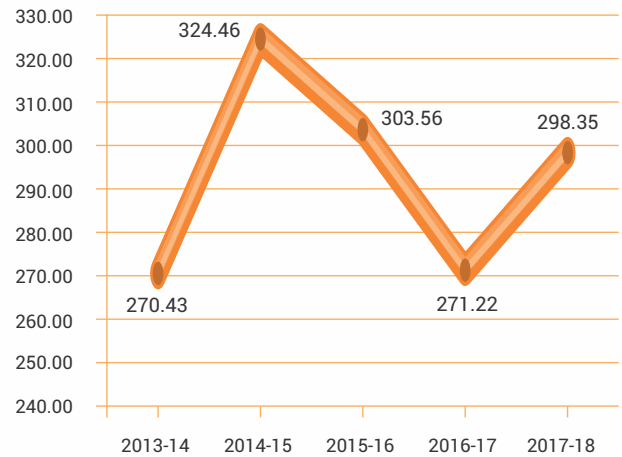
Chariman and Managing Director

FINANCIAL HIGHLIGHTS

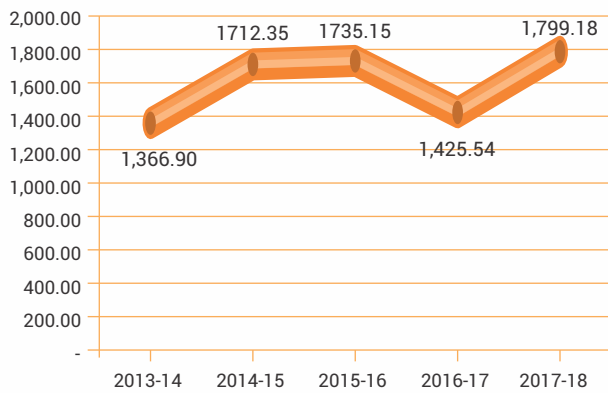
Standalone PAT (₹ In crores)



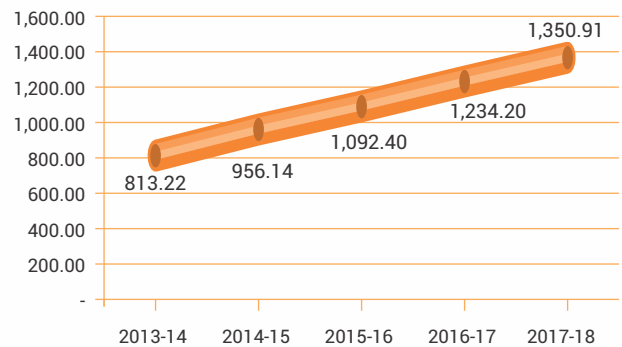
Standalone EBIDTA (₹ In crores)



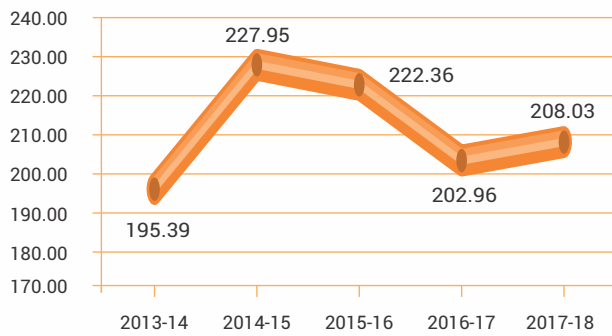
Standalone Revenue (Net) (₹ In crores)



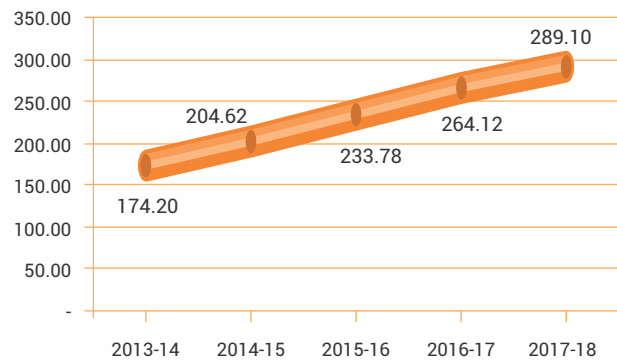
Standalone Net Worth (₹ In crores)



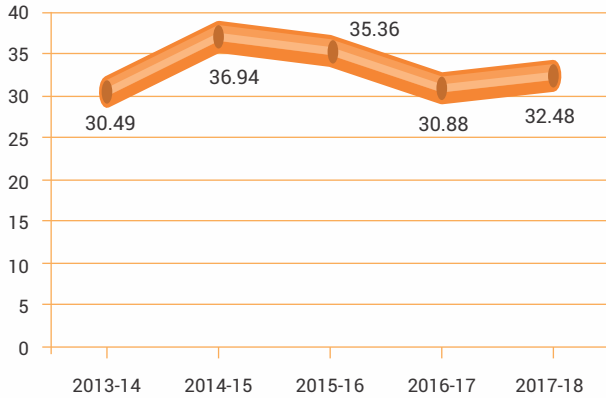
Standalone Cash generated from Operations (₹ In crores)



Standalone Book Value per Share (₹)



Standalone Earnings per Share (₹)



MANUFACTURING MUSCLE

Our manufacturing strengths make it possible for us to be a multi-product company. It is because of this that we are able to cater to a wide variety of clientele and niche segments.



The largest manufacturer of Stainless Steel Seamless and Welded Pipes & Tubes in India



The Country's largest manufacturer of Nickel Alloy Pipes & Tubes and Titanium Welded Tubes



One of the major manufacturers of Carbon Steel Welded Pipes (ERW, L-SAW & H-SAW)



State-of-the-art manufacturing and testing facilities at Kutch, Chhatral and Indrad in Gujarat



With fresh capacity expansion of 20,000 MT in Stainless Steel Seamless, the total capacity will go up to 48,000 MT



CAPACITIES AT A GLANCE (in MT)

	Chhatral	Kutch	Total
Carbon Steel Pipes			
L-SAW	30,000	10,000	40,000
H-SAW / Spiral	-	1,80,000	1,80,000
ERW	-	70,000	70,000
Circumferential Seam	60,000	-	60,000
Sub Total	90,000	2,60,000	3,50,000
3 Layer PE and FBE Coating		2.5 mln sq. mt.	
Stainless Steel Tubes / Pipes			
Seamless	8,000	-	8,000
Welded	-	20,000	20,000
Hot Extruded Seamless (for captive usage)			
	-	6,500	6,500
Sub Total	8,000	20,000	28,000





DIVERSITY

Diversity is a necessary strategy in this age of uncertainty. It presents an individual, organisation, or a country with a range of possibilities that would be closed to those dependent on only one.

India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries and a multitude of services. This has the advantage of mutually beneficial cross-sectoral exchanges and overall buoyancy even in the face of a recession in few sectors. India's domestic market diversity and depth have made it largely immune to global meltdowns in recent times and therefore attractive to multinational market players.

Ratnamani's diverse production facilities and products make it attractive for vast swathes of clientele wanting to do business with the Company. From Stainless Steel Seamless to Welded Tubes & Pipes, from Nickel Alloy to Titanium Welded, Carbon Steel Welded Tubes & Pipes – from L-SAW to H-SAW, ERW and Circumferential Seam Pipes with all kinds of dimensions, grades and coatings and Hot Induction Bends, Ratnamani has the capacity to make them all.

Therefore, it can be said that our capabilities are the **widest-ranging**.

WIDEST-RANGING

STAINLESS STEEL DIVISION

PRODUCT

END-USER INDUSTRY

Heat Exchanger Tubes

Stainless Steel Seamless Tubes

Stainless Steel Welded Tubes

Titanium Welded Tubes

Seamless Nickel Alloy Tubes

Stainless Steel Seamless

Instrumentation Tubes

Stainless Steel Pipes

Stainless Steel Seamless Pipes

Stainless Steel Welded Pipes

Stainless Steel 3LPE (3-Layer

Polyethylene) / 3LPP (3-Layer

Polypropylene) Coated Pipes



Oil & Gas



Refineries & Petrochemicals



Chemicals & Fertilizers



Pulp & Paper



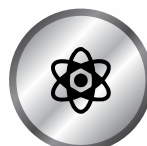
De-salination



Nuclear, Thermal & Solar Power Plants



Defence



Atomic Energy



Aerospace

CARBON STEEL DIVISION

PRODUCT

END-USER INDUSTRY

High Frequency Electric Resistance Welded (HFW-ERW) Pipes



Oil & Gas Pipelines



Water Supply Systems



General Purpose Applications



Structural Pipes

Submerged Arc Welded (SAW) Pipes – H SAW & L SAW and Mobile Plant



Oil & Gas Pipelines



Spur Lines



City Gas Distribution



Pipes for Potable Water



Refineries & Petrochemicals



Power Plant – Cooling Water, Auxiliary Cooling Water Line & Ash Handling Line



Water & Sewerage



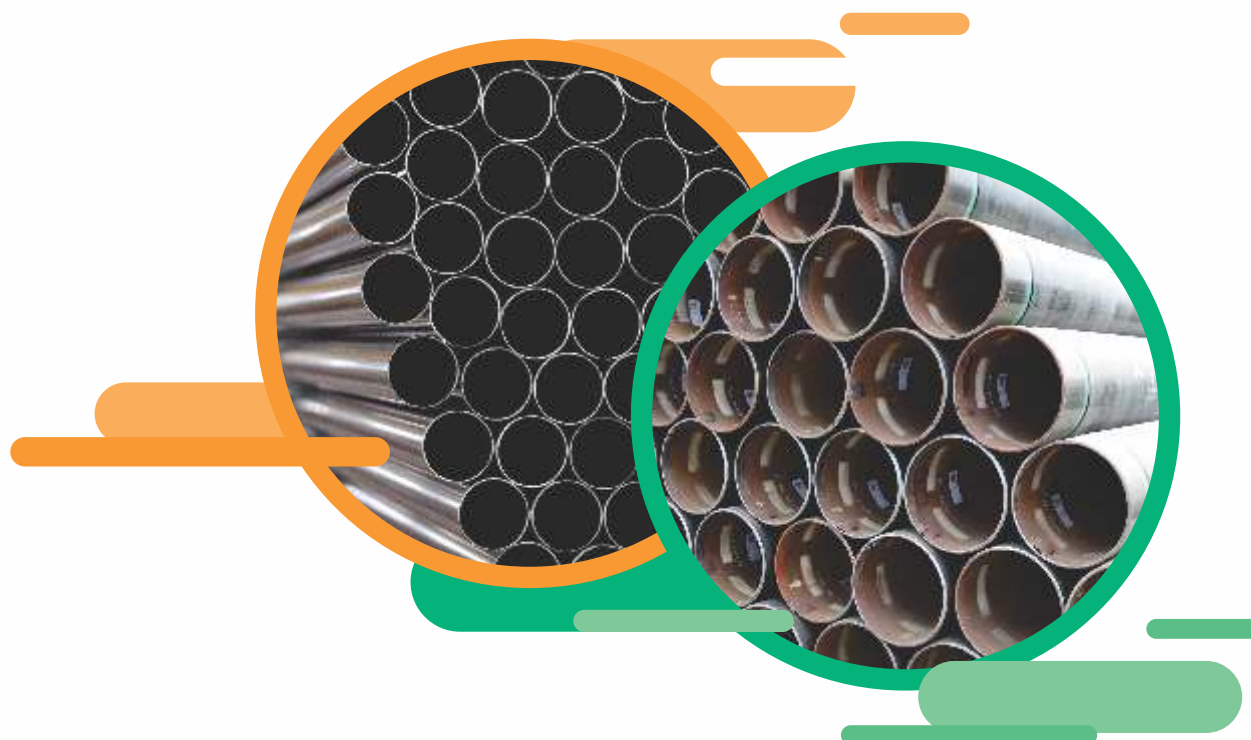
Structural – Piling & Casing Pipes and Structural Columns



Distribution & Transmission Lines for Irrigation Systems



Other industrial uses – Pipes for Fertilizer Plants, Mining, Dredging Pipes, Air Ducts, etc.



CARBON STEEL DIVISION

PRODUCT

END-USER INDUSTRY

Pipe Coating Solutions

EXTERNAL:

Carbon Steel 3LPE (3-Layer Polyethylene) / 3LPP (3-Layer Polypropylene) / DFBE (Dual Layer Fusion Bonded Epoxy) / FBE (Fusion Bonded Epoxy) and all other prevalent Coatings

INTERNAL:

Food Grade Epoxy / Polyurethane / Coal Tar Epoxy / Cement Lining and other prevalent Coatings



Oil & Gas Pipelines



Water Pipelines



Effluent Lines

Induction Bend



Refineries



Power Plants



Structural Pipes



Oil & Gas Pipelines



Other Industries



PRESENCE

Presence affords visibility as well as vantage points for an individual, organisation, or a country; such a position allows the grabbing of opportunities as and when they arise.

India has both a soft as well as a hard presence on the World arena. India's soft presence relates largely to the soft export of its culture to many countries, especially those in the Indian sub-continent. The Country's hard presence takes the shape of its international beach-heads, trading outposts, exports and presence of its skilled workforce overseas.

Likewise, Ratnamani too enjoys a distinct presence, both at home and abroad. At home, the Company is a significant market player with a considerable market share in both Stainless Steel and Carbon Steel Pipes & Tubes. On international shores, Ratnamani has made a name for itself for its quality and delivery among prestigious clients.

Because of its substantial market presence, especially on the domestic front, Ratnamani can be said to possess – **market dominance**.

MARKET DOMINANCE

Ratnamani's market dominance stems largely from its diverse and dynamic production capacity. The Company's market strategy can be clubbed into the following:

One-stop Shop

From the smallest diameter SS Seamless Tubes to the largest diameter CS Pipes, smallest to largest thickness, low to high grades, Ratnamani is present in every segment of the Steel Tubes & Pipes Industry. The Company presents a one-stop shop for every client requirement.

Size Does Not Matter

The Company's production capacities are designed to be versatile and carry the ability to handle both large-volume as well as low-volume orders. This allows the Company to service the smallest of orders to the Client's satisfaction.

Market-gap Leadership

When Ratnamani was manufacturing Stainless Steel Tubes & Pipes, very few in the Industry were doing it in a major way. The Company identified this market gap and went about cultivating it with great gusto. Today, Ratnamani is the undisputed market leader in SS Seamless & Welded Tubes and Pipes.

Not stopping at ordinary SS, the Company went on to cater to high-end Nickel Alloy, Titanium and Exotic Alloy Products. Such a niche marketing strategy is paying off in terms of prestigious clientele and repeat business. Today, Ratnamani has the most comprehensive array of products in Stainless Steel Tubes & Pipes.

Import Substitution

A import substitution strategy benefits the Country in the form of lower foreign exchange outgo.

Ratnamani has been deliberately attempting to get into segments which are hitherto serviced through imports. A case in point is the upcoming capacity upgradation of Stainless Steel Seamless from 2 inch NPS to 10 inch NPS size. There are other plans firming up to import-substitute costly products and seal market leadership in those high-end segments.

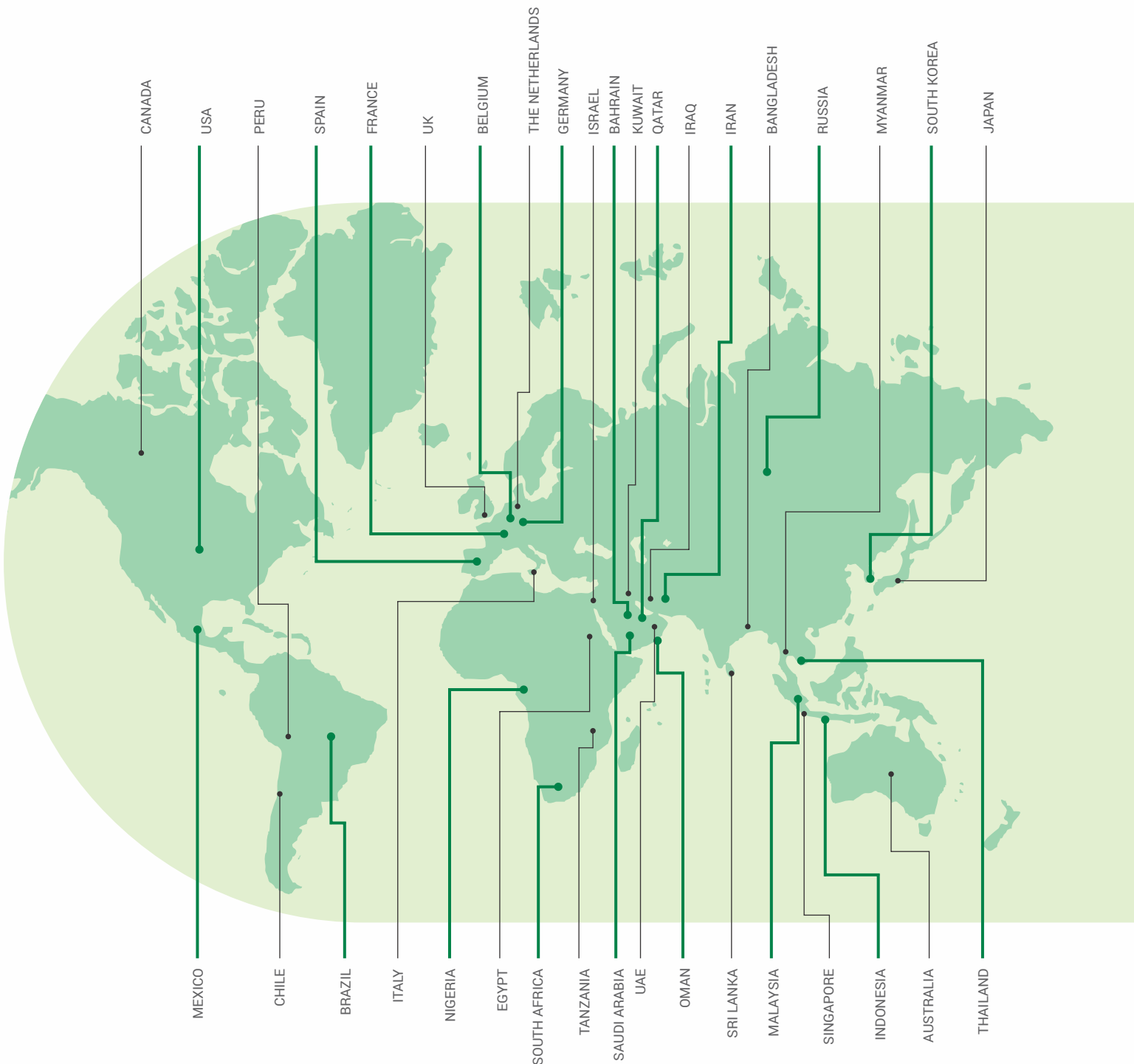
Import-substitution is not confined to only products, but also imported inputs. Our backward-integrated move to install Hot Extrusion Facility to produce mother hollows is again an attempt to save on costly imports for the Company and valuable foreign exchange for the Country. There are other plans on the anvil to carry on with the same strategy.





GLOBAL PLAY

Our project presence in 37+ countries around the World, including highly competitive markets and advanced economies like USA, UK, Canada, Germany, France, South Korea, etc. shows one thing – we can give the top global players a run for their money. We have got what it takes – both width and depth of product range – to win contracts around the World.





A GREATER COMMUNITY

At Ratnamani, we believe we can work towards a greater India by strengthening the Community and the Environment it is in. India's heart still resides in the villages, but rural India is lagging dismally behind its urban counterpart. Our efforts are directed towards Rural Education, Women Empowerment, Health & Swachh Bharat, Vocational Training and the Environment.

Rural Education

We are creating an educational eco-system that includes a remote and backward village – Nenava that has a primary school and a high school, along with a hub, the Ratnamani Education Campus at Becharaji, which starts with a primary school and goes up to a college with Arts, Science and Commerce disciplines. We look at the Nenava primary and high schools mainly as a place for increasing enrolments and inspiring lifelong education for the children of villagers, especially girl child. We also look at it as a catchment

area for bringing deserving students to our Becharaji Education Campus and providing them free education. The Campus has facilities like boys and girls hostel, canteen, etc. We have upgraded facilities like washrooms and kitchens and even inducted people to overcome staff and teacher shortage at the Nenava schools.

We are building a kindergarten school at Bhimasar, near Gandhidham, for children of Ratnamani Staff and for the Community in and around it. Gradually, we plan to upgrade it to standard 10th.

We have entered into PPP (Public-Private Partnership) mode with the Government to run an ITI at Vijapur, near Gandhinagar, Gujarat. The auto-giant, Maruti Suzuki, is keen to partner with us to set up educational and vocational training institutions like ITI, Nursing Institute, etc. at Becharaji.

1100 Student Beneficiaries | Focus on Girl Child Education | 95% Pass-outs | Running an ITI in PPP Mode with Government | Maruti Suzuki in partnership talks with us for our Educational Initiatives



Women empowerment

For those women, who don't have the time for education, we provide livelihood training in sewing, hand embroidery, soap, detergent & shampoo making, making 'best-out-of-waste' activities, etc. to promote skill development and women entrepreneurship. This has led to quite a few cases of women earning more than the men in the household. Suitable products and services of these women are also bought by the Company.

154 Women who have become Skilled Seamstresses

Health & Swachh Bharat

For widows, the differently abled and families with large number of women, we have built toilets of a higher quality than prevailing models through an NGO. We conduct camps on menstruation and hygiene, where we educate womenfolk on the subject and distribute branded sanitary napkins. Our school students, become in a sense, ambassadors at such programs, speaking on the benefits of menstruation and sanitary hygiene. They also attempt to convince their parents to build toilets in their homes.

40 Toilets built in the 1st phase | 60 Toilets to be built in the 2nd phase

Environment

Just planting of trees won't benefit the environment if those are not well-maintained. We take pride in planting trees and nurturing them in way that they keep growing to full bloom. We use our own water tankers and treatment schedules to keep the trees healthy. Various varieties that flourish in the local conditions are used for the plantation. We believe local plants blend in well with the local environment and can be a source of long-term growth.

Our 'Save the Sparrow' Campaign is gathering momentum. We are distributing scientifically designed nests all over Gujarat.

More than 650 Trees planted and maintained | Trees reaching heights of about 20 feet | Another 600 Saplings to be planted | Increase in sightings of more than 60,000 Sparrows from 'Save the Sparrow' Campaign | 57,500 scientifically-designed Sparrow Nests distributed free of cost



BOARD OF DIRECTORS



Sitting: From left to right: Shri Prakash Sanghvi, Shri Jayanti Sanghvi

Standing: From right to left: Shri Shanti M. Sanghvi, Shri Pravinchandra M. Mehta, Dr. Vinod M. Agrawal, Shri Divyabhash C. Anjaria, Smt. Nidhi G. Gadhecha

Shri Prakash M. Sanghvi

Shri Prakash M. Sanghvi is the Promoter of the Company and Executive Director on the Board of the Company. He has over 41 years of experience in the Metal Industry and overall Corporate Management covering corporate strategy, developments to functional management.

With his unmatched leadership and strong business acumen, the Company has achieved new milestones year after year on a consistent basis and expanded its presence and built stakeholder's Value.

Shri Jayanti M. Sanghvi

Shri Jayanti M. Sanghvi is the Promoter of the Company and Executive Director on the Board of the Company. He has over 38 years of experience in Corporate HR Management, Administration, Corporate Communication, Liasoning and Corporate Procurement.

His strong management skills and ability to nurture talents and zeal for efficiency has resulted into sustainable growth and the Company's global footprints.

Shri Shanti M. Sanghvi

Shri Shanti M. Sanghvi is the Promoter of the Company and Executive Director on the Board of the Company. He has over 36 years of experience in Corporate Relations, Business Development and Customer Management.

His excellent management skills have contributed to business growth and development of the Company.

Dr. Vinod M. Agrawal

Dr. Vinod M. Agrawal is an Independent Non-Executive Director on the Board of the Company with expertise in Soft Business Skills.

Shri Divyabhash C. Anjaria

Shri Divyabhash C. Anjaria is an Independent Non-Executive Director on the Board of the Company having rich experience in the field of International Finance and Financial Markets. He is an M.B.A. from IIM, Ahmedabad and has worked with Citibank and UTI.

Shri Pravinchandra M. Mehta

Shri Pravinchandra M. Mehta is an Independent Non-Executive Director on the Board of the Company. He has vast experience in the Engineering Industry, having spent his entire career in the leading Engineering Corporate namely M/s. Larsen & Toubro Limited.

He was an Executive Director on the Board of M/s. Larsen & Toubro Limited and was in-charge of nine different business units located all over the Country. He is extensively experienced in the area of Engineering, Technologies and International Business.

Smt. Nidhi G. Gadhecha

Smt. Nidhi G. Gadhecha is an Independent Non-Executive Director on the Board of the Company. She is a Chartered Accountant by qualification.

She possesses expertise in functional areas of Corporate Finance, Taxation and other related matters.

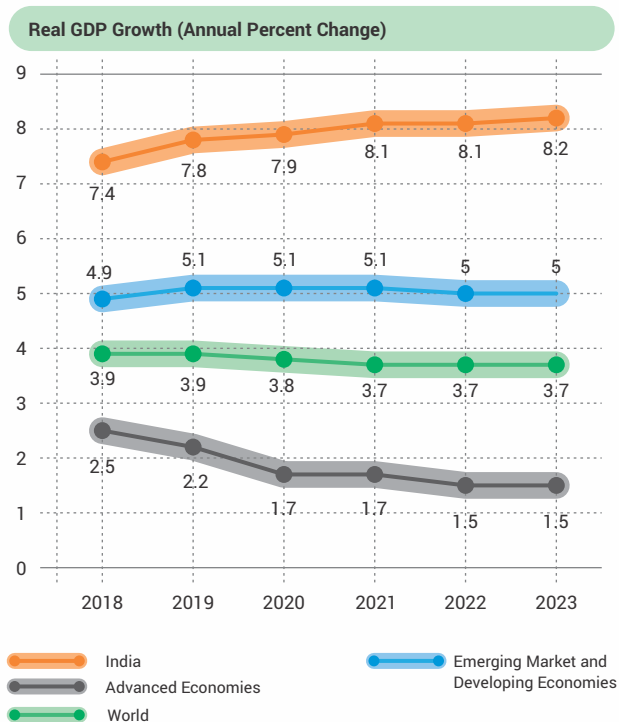
MANAGEMENT DISCUSSION & ANALYSIS

Upbeat Macroeconomic Trends

The Global Economy broke out of its rut in the year 2017 by growing to 3.9%, the fastest pace since 2011, on the back of a rebound in business investment across the World. The good news is that according to the World Bank, despite recent softening, global economic growth will remain robust at 3.1 percent in calendar year 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing economies levels off.

With GDP growth of 7.7% in the Jan-Mar quarter of 2017-18, India retains its fastest growing major economy tag, outpacing China's 6.8% by nearly a percentage point. The full financial year 2017-18 growth estimate at 6.7% is lower than 7.1% of the previous financial year due to the lingering effects of demonetisation and GST rollout. However, the Country is on a persistent revival mode led by construction, manufacturing, investment and benefits of past structural reforms. The Reserve Bank of India as well as the IMF has forecast 7.4% growth for India in the financial year 2018-19. According to IMF's projections, India will be sprinting away from the rest of the world by 2023.

IMF projects higher Real GDP growth for India in the next 5 years. [Source: IMF 2018]



Record-breaking year for Ratnamani

Financial year 2017-18 (F.Y.18) broke records for the Company in terms of plant capacity utilisation and order-booking. With the order book at an all-time high, your Company is likely to sustain a high growth trajectory in the coming years.

The Company's turnover shot up from Rs. 1476.05 crores in financial year (F.Y.17) to Rs. 1789.81 crores in F.Y.18, out of which Rs. 1332.71 crores (74.46%) came from domestic operations and Rs. 457.10 crores (25.54%) came from international operations, suggesting an upsurge in the domestic market. The Total Income on standalone basis for F.Y.18 at Rs. 1822.22 crores was higher by 22.29% as compared to the previous fiscal. Profit After Tax (PAT) rose by 5.19% to Rs. 151.79 crores in F.Y.18 vis-à-vis the corresponding figure in F.Y.17. The Consolidated Gross Revenue from Operations for F.Y.18 was at Rs. 1789.80 crores, registering an impressive 21.24% increase over F.Y.17. Consolidated Profit After Tax at Rs. 151.77 crores showed a 5.35% rise.

Steel Pipes and Tubes on the upswing

The Steel Pipes and Tubes Sector has gathered momentum on the strength of a boom led by infrastructure and significant growth spurts from other Industries like Oil & Gas, Petrochemicals, Fertilizers, Power and Energy. However, the major industry fuelling the growth is Oil & Gas. As pipelines are an economical mode of transport compared to roads and rail, the Indian Government is encouraging their use. In a win-win scenario, the Government is able to save in the form of lesser subsidy outgo, while Oil Marketing Companies (OMCs) like HPCL, BPCL, IOCL, etc. are able to trim their under-recoveries.

The demand for steel tubes and pipes largely thrives on the performance of Oil & Gas, Petrochemicals and Refineries, Chemicals and Fertilizers, Power - Thermal, Solar and Nuclear, Aerospace, LNG, Water, Gas Distribution, etc. Asia-Pacific and Latin America are



among the fastest growing markets for steel pipes and tubes due to their high economic growth and increased activity in various end-user sectors including Oil, Power and Refineries. Robust growth in Asian countries such as India and China is driven by a large population base and the enormous investments in large-scale infrastructure projects. Increasing energy needs and intensifying activity in the Construction and Power Plant sectors are also expected to drive the development of the Steel Pipe Industry in the Region. India is likely to have strong domestic growth overtones propelled by rising CAPEX spend across the End-user Industries.

Sensing this huge opportunity, your Company has swung into action by taking proactive steps like necessary expansions and product developments to meet the expected incremental demand.

Stainless Steel Division on the fasttrack

The Company's Stainless Steel Division manufactures Seamless and Welded Pipes, Heat Exchanger Tubes, Instrumentation Tubes, Welded Titanium Tubes and Seamless Tubes made of Exotic Alloys (Incoloy, Inconel and Monel).

We foresee a stronger order position for this Division, given high visibility in the following sectors of our interest:

Oil & Gas, Petrochemicals and Refineries

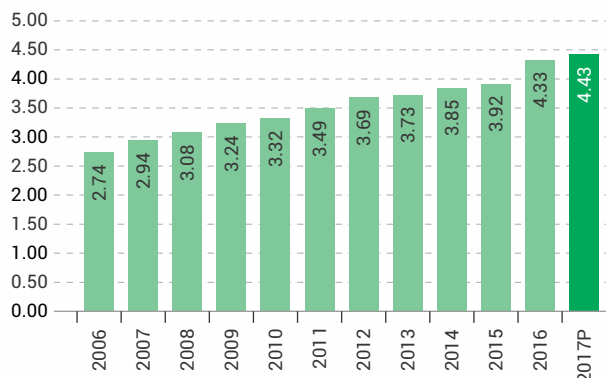
India is the second largest refiner in Asia with an oil refining capacity of 247.6 MT as on May 1, 2018 [Source: IBEF]. The Country is the World's fourth largest consumer of energy and Oil & Petroleum products and fourth largest LNG importer. Oil & Gas account for 35.61% of total energy consumption in India. And all this is set to increase multi-fold in the coming years.

Oil consumption has expanded at a CAGR of 2.98 per

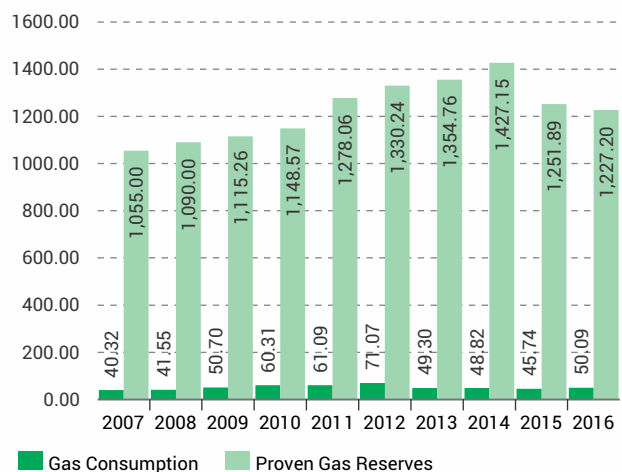
cent during the Financial Years 2008-2017 to reach 4.43 mbpd by 2017. Rapid economic growth is leading to greater outputs, which in turn is increasing the demand of Oil for production and transportation. [Source: IBEF]

India's gas consumption has increased at a CAGR of 2.44 per cent between 2007 and 2016. Demand is likely to rise on the back of strong economic growth and rising urbanisation. Gas consumption is projected to reach 216 bcm by 2021-22. India's LNG Imports increased at a CAGR of 8.14 per cent during the Financial Years 2008 - 2018. [Source: IBEF]

Oil Consumption in India (2008 -17) (mbpd)



Proven Reserves and Total Gas Consumption in the Country (bcm)





Due to the increase in vehicle exhaust gas pollution, the Government of India is going ahead with desulfurisation of all Petroleum Products. This is pushing the demand for Exotic Pipe grades. Your Company has already started supplying these to various fabricators.

During the ongoing financial year, we see a huge potential in two major projects:

1. Petrochemical Complex coming up in HMEL-Bhatinda
2. Petrochemical Complex coming up in HPCL-Vizag

Both of these are fast-track projects scheduled for completion within 32 to 40 months. They should fetch large business volumes for the Division. Work on a new 60 Million Ton Capacity Grass Root Refinery, sanctioned by the Government of India and put up jointly by IOCL, HPCL, BPCL, Saudi Aramco and Adnoc on the West Coast of Maharashtra, is expected to start in the next 1-2 years and end in 5-7 years. This Project is likely to give us good business for a period of 2 to 3 years. An expansion programme currently underway in IOCL-Paradeep has the Oil Major investing a substantial amount in the manufacture of Ethylene Glycol. This is again a good opportunity for our Division.

On the international front, there are a couple of projects which could result in substantial business in the Middle East.

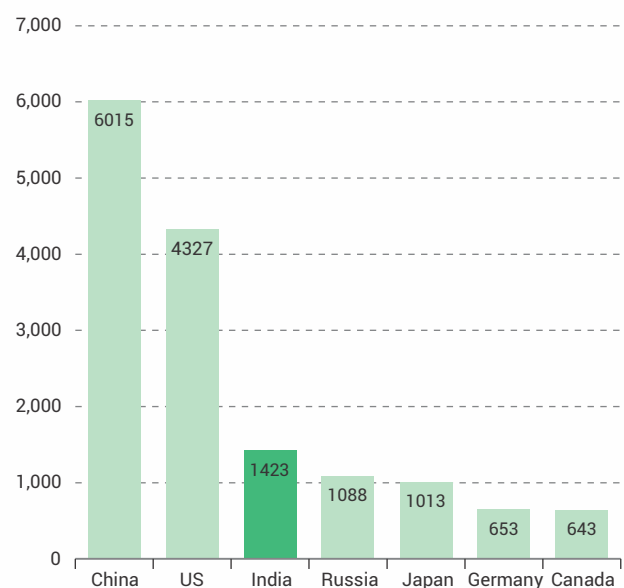
LNG:

LNG Terminals normally have a huge requirement of Stainless Steel Welded Pipes. At least two LNG Terminals are likely to go on-stream in India; one in Odisha and the other in the state of Gujarat.

Power - Thermal, Solar and Nuclear Sector

India is the 3rd largest producer and 4th largest consumer of electricity in the World, with the installed Power Capacity reaching 343.79 GW as of April 2018.

World's leading electricity producers in 2016 (TWh)



The Government targeted a massive capacity addition of around 100 GW under the 13th Five-Year Plan (2017–22). The Government has also created a favourable policy climate by allowing 100% FDI in Power and Renewable Energy. There has been a strong surge in Renewable Energy with Solar Power and Wind Energy estimated to contribute 100 GW and 60 GW respectively by 2022. Overall, the Country's Power Sector is expected to attract investments worth Rs.11,55,652 Crores between 2017-22 in Thermal, Hydro, Nuclear and Renewables Segments. India's Energy Firms have made significant progress in the Global Energy Sector, according to the latest S&P Global Platts Top 250 Global Energy Rankings, with 10 out of 14 Indian Energy Companies making it to the list and RIL and IOC ranking 3rd and 7th respectively. [Source: IBEF]

In the Indian Thermal Power Sector, a good demand potential for SS Tubes and Pipes is there and going forward, we may see other inflow from this sector. On the international scene, not many Thermal Power Plants

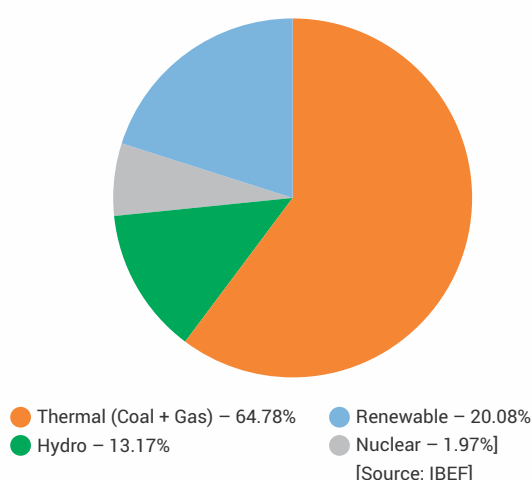
Sector-Wise Capacity of Fertilizer Manufacturing Units for 2015-2016 and 2016-2017 (figures in *LMT)

Sector	Urea			DAP and Complex Fertilizers		
	2015-2016	2016-2017	% Change	2015-2016	2016-2017	%Change
Public	63.09	63.09	0%	21.64	21.64	0%
Cooperative	54.19	54.19	0%	43.35	43.35	0%
Private	90.25	90.26	0.01%	79.05	81.01	2.48%
Total	207.53	207.54	0%	144.04	146	1.36%

Source: Department of Fertilizer

* LMT stands for Lakh Metric Tonnes

Sources of Power with Shares in Total Installed Capacity



are coming up. However, in the last quarter of this financial year, we may see a few orders happening.

A good sustained demand from India's Nuclear Power Sector is expected for the next 5 to 15 years as 10 Reactors of 700 MW each are to be built across the Country. This will mean a steady business flow for us, since, we are approved for almost all the critical tubing and piping for nuclear projects.

Fertilizer Plants

The Indian Fertilizer Industry has shown tremendous growth in the last five decades and at present ranks 3rd in the World. India is the 2nd largest consumer of Fertilizers after China. India also ranks 2nd in the production of Nitrogenous Fertilizers and 3rd in Phosphatic Fertilizers. Due to the support offered by the Government towards the growth of the Fertilizer Industry there has been a rapid build-up of manufacturing units with investments in the Public, Cooperative and Private sectors. [Source: Care Ratings]

Currently, the Government of India is investing heavily in Fertilizer Plants. Three Fertilizer Plants under HURL, wherein EPCs have already been selected, are coming

up in Gorakhpur, Sindri and Barauni. The fourth Fertilizer Plant is likely to come up in Talcher; the EPC for which may be finalised soon.

Atomic Energy and Aerospace

India has a largely indigenous nuclear power program. The Indian Government is committed to growing its Nuclear Power Capacity as part of its massive infrastructure development program. The Government has set ambitious targets to grow Nuclear Capacity. At the start of 2018, six reactors were under construction in India, with a combined capacity of about 4.4 GW. By the year 2031, the Government expects to increase Nuclear Capacity to about 22.5 GW. [Source: World Nuclear Association]

We have been a most preferred vendor for the supply of Tubes and Pipes to the Atomic Energy Sector for the past several decades. Substantial investments in Atomic Energy in India should keep us busy for the next 2 to 5 years.

A surge in the demand from the Aerospace Sector is anticipated as India is fast becoming a major hub for manufacturing and maintenance of aircrafts. The Industry is expected to grow quite substantially in the next 10 to 15 years. This may also become a good opportunity for the Company's products.

Today, your Company is well-established globally in the sphere of exotic material; increased business from high-end applications should be happening in the coming years.

While the demand for Stainless Steel and Exotic Alloys has been on the rise due to the buoyancy of Oil & Gas, Fertilizer, Petrochemicals and Refineries, LNG, etc., the most worrying factor in the ongoing financial year is the availability and pricing of raw materials. Volatility in the supply of Nickel and Molybdenum and exchange rate fluctuations could be the spoilsport as far as profitability is concerned. Procurement of these raw materials is under pressure as most of the Steel Plants producing them are heavily booked.

India's Nuclear Power Reactors under Construction

Reactor	Type	MWe Gross, Net (each)	Project Control	Construction Start	Commercial Operation Due
Kalpakkam PFBR	FBR	500, 470	Bhavini	Oct 2004	2018
Kakrapar 3	PHWR	700, 630	NPCIL	Nov 2010	2022
Kakrapar 4	PHWR	700, 630	NPCIL	Mar 2011	2022
Rajasthan 7	PHWR	700, 630	NPCIL	Jul 2011	2022
Rajasthan 8	PHWR	700, 630	NPCIL	Sep 2011	2022
Kudankulam 3	PWR	1050, 917	NPCIL	Jun 2017	2025
Kudankulam 4	PWR	1050, 917	NPCIL	Oct 2017	2026
Total (7)		5400 MWe gross			

However, since we enjoy excellent relations with such plants, we are in a position to ensure adequate and timely procurement and thus meet delivery commitments.

New Projects in Niche Segments

A capacity expansion initiative for the production of Stainless Steel Seamless Pipes up to 10 inch NPS size is in full swing and is expected to be ready for commercial production by May/June, 2019. This State-of-the-art Facility will put us on par with global leaders like Sandvik, Sumitomo, Salzgitter, etc. Capable of manufacturing Base Grades and exotic Alloys, this will not only be a new chapter for your company, but a step forward for the Country. It will help our country become self-sufficient for Stainless Steel Seamless pipes up to 10 inch NPS.

Carbon Steel Division on a growth arc

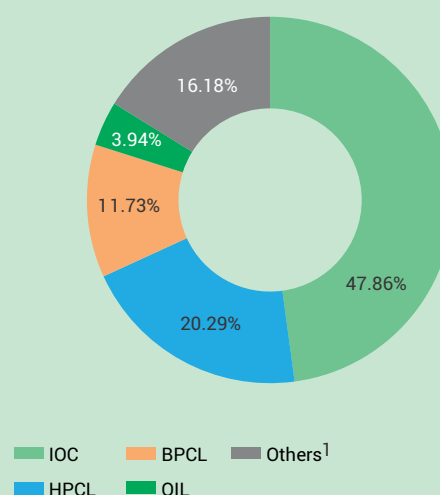
Ratnamani's Carbon Steel Division manufactures Electric Resistance Welded (ERW) and Submerged Arc Welded (L-SAW & H-SAW) pipes. F.Y.18 registered very good order inflows to the tune of Rs.2000 crores, including international orders of more than Rs.550 crores. The Water Sector contributed the most to the order basket with orders of Rs.1200 crores, followed by Rs.800 crores from the Oil & Gas Sector. Smaller orders came from Power and Other Sectors.

We expect a substantial order book in the ongoing financial year due to the following developments:

Oil & Gas Transmission Lines

As of May 1, 2018, India had a network of 10,327 km of

Shares in Products Pipeline network under operation by Length
(out of 16,611 km, FY18²)

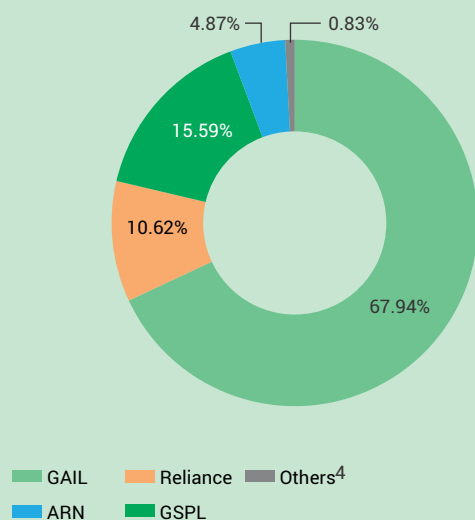


Crude Pipeline having a capacity of 141.2 mmtpa. In terms of length, IOCL accounts for 51.33% (5,301 km) of India's Crude Pipeline Network. In terms of actual capacities, ONGC leads the pack with a share of 41.43%, followed by IOCL at 34.42%. [Source: IBEF]

Although Natural Gas Production from 2008-09 to 2016-17 has seen a rise and fall, its consumption has been steadily increasing.

Company-wise Length and Capacity of Products Pipeline and Crude Oil Pipeline (as of May 1, 2018)

	IOCL	BPCL ⁽¹⁾	HPCL ⁽²⁾	OIL	ONGC	Cairn	HMEL	Others (GAIL and Petronet India)	Total Industry
Length (Kms)									
Product Pipeline	7,950	1,948	3,371	654	-	-	-	2,688	16,611
Crude Oil Pipeline	5,301	937	-	1,193	1,191	688	1,017	-	10,327
Total	13,251	2,885	3,371	1,847	1,191	688	1,017	2,688	26,938
Capacity of Crude Oil Pipelines (MMTPA)									
Product Pipeline	46.2	16.2	38.1	1.7	-	-	-	9.3	111.4
Crude Oil Pipeline	48.6	6.0	-	8.4	58.5	10.7	9.0	-	141.2
Total	94.8	22.2	38.1	10.1	58.5	10.7	9.0	9.3	252.6

Shares in Natural Gas Pipeline Network by Length
(out of 16,793 km) (FY18³)

Natural Gas Consumption in India (2008 - 2017)

(in BCM)

Year	2008-09	2009-10	2010-11	2011-12	2013-14	2015-16	2016-17
Net Gas Production	31.75	46.49	51.23	46.45	34.57	31.14	30.85
LNG Import	10.54	11.82	12.89	15.41	17.73	21.31	24.69
Total Gas Consumption (BCM)	42.29	58.31	64.12	61.87	52.30	52.45	55.53
Total Gas Consumption (MMSCMD)	115.9	159.7	175.7	169.5	143.3	143.7	152.1

Note: Gas Consumption includes Internal Consumption. Source: PPAC

LNG Import Trend in India (2008 - 2017)

Year	2008-09	2009-10	2011-12	2013-14	2014-15	2015-16	2016-17
Total LNG Imports (Long-term, ST / Spot) in MMT	7.96	8.92	11.63	13.38	13.99	16.08	19.10
Total LNG Imports (Long-term, ST / Spot) in MMSCMD	28.2	31.6	41.2	47.4	49.5	56.9	67.6

Source: PPAC

Mirroring the trend of fall in domestic production and reduced domestic gas supply to consumers, the share of LNG has increased from 25% in 2008-09 to 45% in 2016-17. [Source: FICCI]

India has six major regional Natural Gas Markets—Northern, Western, Central, Southern, Eastern, and North-eastern, out of which the Western and Northern Markets have the highest consumption, due to better pipeline connectivity. In the various regions, the states closer to domestic gas sources, LNG terminals, and Cross-Country Natural Gas Pipelines have higher Natural Gas Penetration in the states like Gujarat, Maharashtra, Andhra Pradesh and the Delhi National Capital Region. On the other hand, states like Tamil Nadu, Punjab, Haryana, Jharkhand, Uttarakhand, Karnataka, Kerala, West Bengal, Bihar, Chhattisgarh, Madhya Pradesh and Odisha have limited pipeline connectivity. Increased pipeline coverage will help redress this imbalance. Therein, lies a huge opportunity for us.

A total of 13,489 km of Natural Gas Pipelines are under construction in Southern, Eastern and Western India. Availability of Natural Gas would boost Fertilizer production, transportation, power generation and industrial activity. These pipelines could also stimulate demand for Natural Gas by adding new customers. Such trends mean good business for the Carbon Steel Division.

Upstream Oil & Gas is already a source of top-line growth for the Company. Our Division has secured a large order for the Dangote Refinery in Nigeria. As the Refinery gets into the later stages of completion, we expect newer orders. The announcement of a major Grassroots Refinery at Ratnagiri, Maharashtra is a good sign for us, as its requirement for Carbon Welded Pipes will be large.

We are going further upstream by getting into the Exploration & Production space. The Oil Exploration Project of ONGC under Ratna Series will give us an opportunity to seek business for Piling Pipes and Pipes for Jacket and Platform Packages. We anticipate substantial business for our L-SAW and H-SAW Pipes in international markets. We are geared to fulfill the requirements arising from Middle East and USA in the Refineries and Petrochemical Sector.

City Gas Distribution lines

A New Natural Gas Energy Architecture made of LNG Terminals, Cross-Country Transmission Lines and City Gas Distribution Lines is emerging in India. The arrival of the first long-term LNG Cargo from the Houston-based Cheniere Energy Inc., in the USA puts a stamp on the robustness of India's Natural Gas economy. It also portends big business for us. New facilities like Hot Induction Bending, along with our Mills (L-SAW, H-SAW and ERW) and Coating Facilities will help us leverage this potential windfall.

Potable Water Transmission Lines and Irrigation

India occupies 2% of the World's land area, contains 16% of its population and 15% of its livestock, whereas it has only 4% of its water resources. Further more, India ranks 133rd out of 180 nations for its water availability and 120th out of 122 nations for its water quality. Challenges faced by the Indian water sector are due to increasing water consumption and wastage in urban areas, water-borne diseases, industrial growth, political and regulatory disputes, water-cycle imbalances, increasing irrigation and agricultural demand, lack of technology, etc. According to estimates, India's water sector requires investment worth US\$ 13 billion, including investments in water supply and distribution. Notable Government initiatives include the Five-year



Namami Gange Programme that focuses on cleaning the Ganga, National Water Quality Sub Mission on Arsenic and Fluoride to provide safe drinking water to about 28,000 affected habitations in the Country by March 2021, 'Har Ghar Jal' (water in every household), a scheme to provide piped drinking water supply to all households by 2030.

With demand projected to grow by 30–40%, in general, existing water resources in many areas would be inadequate. Increasing demand cannot be met by simply developing new water resources. Rather, it will be met by a combination of improving water productivity (through water use efficiency in agriculture and significantly reduced urban non-revenue water), improved water management (such as rainwater harvesting), reuse and desalination.

The 'Make in India' Effect

The 'Make in India' initiative of the Government of India has had a positive effect on both the quantum and speed of projects approved. Many projects, which were on hold in the previous years, were finalised this year with shortened schedules.

The Make in India initiative has also provided a boost to the local industry especially the Steel Sector. All tenders arising from the Ministry of Steel now have the clause of minimum 15% Domestic Value Addition; those arising from the Ministry of Petroleum & Natural Gas have a PPLC (Purchase Preference with Local Content) of minimum 20% for Indian suppliers. This has helped to curb international competition, especially from our Chinese counterparts and has greatly improved our prospects.

While we are consolidating our domestic markets, we have been active overseas too. In the financial year under consideration, we have secured new approvals from ADWEA- UAE and PETRONAS- Malaysia.

Ratnamani's Carbon Steel Division is fully geared to grab the maximum advantage from emerging opportunities.

Internal Control system and their adequacy

Details about the Internal Control system and their adequacy is mentioned in the point no.17 of the Directors' Report.

Risk and Concerns

Risks are a part and parcel of any corporate entity. Ratnamani believes in mitigating risks through a structured programme. The Risk Management Committee has been formed by the Board to identify the risks impacting the business and formulate strategies and policies to contain them. There is also a Core Committee comprising of senior management, whose task is to identify and assess key risks and work out strategies in consultation with process owners. A formal Risk Management policy adopted by the Board of Directors broadly categorizes risks into Strategic, Operational, Compliance and Financial & Reporting, by outlining the parameters of identification, assessment, monitoring and mitigation.

Industrial and Human Resource Management

Your Company believes in creating and encouraging a healthy and comfortable working environment. The ever-changing customer needs is one of the critical factors behind the direction of our HRM (Human Resource Management) framework. Your Company is constantly working to inculcate greater customer orientation as a means of cementing business leadership. We have utilised insights from the current, past and potential employees to frame the organisation's employee-value proposition. The Company is sincerely committed towards the development of its people. We have now institutionalised our people review process. This has been done across the organisation. Regular training and mentoring further promotes individual development and focused dialogues across all levels.

The Company is continuously working towards creating an inclusive workplace that engages effortlessly with the new age and is infusing its various locations with diverse workforce. We are prioritising the creation of a strategic workforce planning framework. This is to help create a long-term roadmap for acquiring and managing future capabilities in an optimal manner.

Environment and Safety

Your Company is committed to safeguard the environment. We have always considered safety during work to be of paramount importance. By complying with all norms, we have constantly striven for improvement in our processes, practices and awareness towards Environment, Health & Safety (EHS).

Bright Outlook

The Industry is all abuzz with news of high-visibility investments in domestic Oil Refineries and exciting opportunities emerging in other segments. The resultant growth momentum is expected to hold sway for the next decade or so. With new capacities and facilities, your Company is fully equipped to exploit the upcoming prospects. We expect to touch new highs in business volumes and revenues in the years to come.



Business Responsibility Report

Your Directors are pleased to present the Business Responsibility Report of the Company for the Financial Year ended on 31st March, 2018.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1	Corporate Identity Number (CIN) of the Company	L70109GJ1983PLC006460
2	Name of the Company	Ratnamani Metals and tubes Limited
3	Address of the Registered Office of the Company	17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad - 380 013, Gujarat
4	Website	http://www.ratnamani.com
5	Email id	info@ratnamani.com
6	Financial year reported	1st April, 2017 to 31st March, 2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise):	
	Group 241	Class 2410
	Sub Class 24106	Description Manufacture of tube and tube fittings of basic iron and steel
8	List three key products/services that the Company manufactures.	<p>The Key products that the Company manufacture are as follows:</p> <ul style="list-style-type: none"> - Stainless Steel Seamless & Stainless Steel Welded Tubes / Pipes - Nickel Alloy Seamless Tubes - Carbon Steel Welded Pipes - Alloy Steel Welded Pipes - Titanium Welded Tubes - Induction Bend
9	Total number of locations where business activity is undertaken by the Company :	The Company has its presence throughout the globe including its subsidiary Company namely "Ratnamani INC" located in the State of Delaware, Taxes (U.S.A.) and also its agency offices. The major countries are USA, Germany, Italy, Spain, Peru.
	(a) Number of International Locations (Provide details of major 5)	
	(b) Number of National Locations	The Company has currently its State of the Art manufacturing facilities located in Indrad, Chhatral and Kutch and presence at all over India locations.
10	Markets served by the Company – Local / State / National / International	The company served Local, State, National and International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

1	Paid up Capital (INR)	₹ 934.56 Lacs
2	Total Turnover (INR)	₹ 1,78,980.60 Lacs
3	Total profit after taxes (INR)	₹ 15,178.81 Lacs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 228.60 Lacs towards Corporate Social Responsibility (CSR) which constitutes 1.51% of Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> a. Education of children in the Rural Area. b. Promotion of preventive Healthcare In the Rural Area. c. Rural Transformation. d. Enhancing Vocational Skills amongst women and children. e. Ensuring Environmental sustainability. f. Conservation of Ecology.

SECTION C: OTHER DETAILS:

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has one Subsidiary Company in United States of America (U.S.A.) namely Ratnamani Inc.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s)

The Subsidiary Company does not participate in the BR initiatives of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] –

We do not mandate our suppliers / traders to participate in the Company's Business Responsibility initiatives, however, they are encouraged to do so. (Less than 30%). The details of the same are as follows:

1. M/s.Anjana Steel Traders – Mumbai (Percentage – Less than 2%)
2. M/s. Aurum Alloys & Engineering LLP – Mumbai (Percentage – Less than 1%)

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	N	Y	Y	Y	Y	R	Y	R
			N			N		e		e
			o			t		f		f
			t			e		e		e
			-			-		r		r
			1			2		N		N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-	t	Y	t
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	Y	-	-	Y	-	-	e	Y	e
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	-	Y	Y	-	3	Y	4

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1	DIN	00006354
2	Name	Prakash M. Sanghvi
3	Designation	Managing Director

b) Details of the BR Head :

Sr. No.	Particulars	Details
1	DIN	00006178
2	Name	Jayanti M. Sanghvi
3	Designation	Whole time Director
4	Telephone No.	079-2741 5501-04
5	Email I.D.	jayanti.sanghvi@ratnamani.com

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	-	Y	N	-		Y	
6	Indicate the link for the policy to be viewed online?	**	-	-	***	**	-		***	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	-		Y	
8	Does the company have in-house structure to implement the policy/ policies?	Y	-	Y	Y	-	-		Y	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	-	-		Y	
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y N o t e - 2	-	Y	Y	-			Y	

* Yes, the Policy confirm to National standards such as ISO 14001 and OHSAS

** http://www.ratnamani.com/investors_relations.html>Codes and Policies>Code>Code of Conduct

***http://www.ratnamani.com/investors_relations.html>Codes and Policies>Policy>CSR Policy

Note – 1: The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has a customer redressal system.

Note – 2: The policy is embedded in the Company's Code of Business conduct, HR Policies and various other HR Practices.

Note – 3: Compliance reports from designated employees which are discussed at every Board Meeting of the Company.

Note – 4: The Company has a track record of pioneering achievements, long experience and leadership position which has benefitted the current pipe industry at large in initiating dialogue with the government. However, no need for a formal policy has been felt.

a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles					√				
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

- The BR performance of the Company is regularly monitored by the Company and reviewed by the Managing Director and respective departmental heads, at least once annually.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- The Company has started publishing its Business Responsibility Report from the financial year 2016-17. The same can be accessed at the web link at http://www.ratnamani.com/investors_relations.html> Financials > Annual Report. The Business Responsibility Report forms a part of the Annual Report of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

The Company is committed to do business with integrity and adhere to ethical business practices. It acts with integrity in all aspects of its business. The Company has a Code of Business conduct and a Vigil Mechanism Policy that are approved by the Board of Directors. These are applicable to all the Board Members and Employees. This highlights Ratnamani's commitment to ethical and transparent corporate governance practices. The philosophy of Ratnamani in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organisation with the primary objective of enhancing shareholders' value while being a responsible corporate citizen.

The code is available on the Company's website at its web address: [http://www.ratnamani.com/investors_relations.html/codes &policies/codeofconduct](http://www.ratnamani.com/investors_relations.html/codes&policies/codeofconduct) & [www.ratnamani.com/investors_relations.html/codes &policies /policy/vigilmechanismpolicy](http://www.ratnamani.com/investors_relations.html/codes&policies/policy/vigilmechanismpolicy)

Further, to strengthen company's commitment against workplace harassment, Ratnamani has come out with sexual harassment order in line with the Sexual Harassment of Women at Workplace Act, 2013, which is strictly governed and enforced across the organization.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The details of the complaints received and redressed during the year is as given below:

Particulars	Pending as on 31/03/2017	Received during 2017-18	Redressed during 2017-18	Pending as on 31/03/2018
Customer complaints	Nil	06	04	02
Investor complaints	Nil	04	04	Nil

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company's business activities comprise of manufacturing of Stainless Steel Pipes and Tubes and Carbon Steel Pipes and Induction Bend. It has incorporated social as well as environment concerns, risks and / or opportunities in each of these as under.

- All the units of the company are certified covering ISO 9001 (Quality management system) , OHSAS 18001 (Occupational Health and safety Assessment series) , ISO 14001 (Environment Management System)
- State of the art technologies in its pipe manufacturing and coating plants, includes installation of advanced machinery with green fuel type heat treatment furnace
- We have installed 8 units of wind power mill. The recovery rate of energy from such fuels is 50-60 % (approx.)
- Solar roof panel facility has been used at Indrad Manufacturing Facility.
- CFL lights have been replaced to LED for power saving in the premises

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

The Company has procedures in place for sustainable sourcing. Further, suitability is even extended to suppliers / vendors. All requirements on various aspects such as Health & Safety and Environment protection are regularly audited and met.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

No.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes, the company has taken several steps to procure goods and services from local and small vendors in order to promote entrepreneurship among them. Some of these initiatives include.

- 80% sourcing of consumables as well as services are procured from local vendors
- An equal opportunity in form of employment is given to differently abled people, destitute women and people from weaker sections
- Opportunities are also been regularly given to the MSMes / SMSes

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the company believes in "Reducing, Reusing and Recycling" principle. Some of the initiatives taken by our company are:

- Re-use of treated effluent water in gardening and other processes.
- Collection of rain water at plant premises and its storage at dedicated water pond.
- Use of vegetation and food waste in making compost which in turn is used in fertilization and making of manure for the garden
- Hazardous wastes e.g. used oil; e-wastes, batteries etc. are disposed off only to authorized recyclers.
- Treated solid waste is also disposed of only to authorized land filling site.

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees – 2048
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 1025
3. Please indicate the Number of permanent women employees – 10
4. Please indicate the Number of permanent employees with disabilities – 15
5. Do you have an employee association that is recognized by management - NIL
6. What percentage of your permanent employees is members of this recognized employee association? – N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour /involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category	Percentage
a) Permanent Employees	75%
b) Permanent Women Employees	75%
c) Casual / Temporary / Contractual Employees	100%
d) Employees with Disabilities	80%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes, the company has mapped its internal and external stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders, namely the communities around its manufacturing sites and its workers, supervisory staff.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The company has identified the need of the communities spread around its significant area of business / manufacturing units for providing education to children in rural areas, promotion of preventive healthcare in rural areas, enhancing vocational skills amongst women and children, ensuring environmental sustainability, conservation of ecology, etc.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?
All aspects of the human rights are inbuilt and covered under the Company's Code of Business Conduct as well in various human resource practices/policies.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
There have been no complaints regarding breach of human rights aspects in the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.

The policy related to Principle 6 covers only the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.

No.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company have identified potential environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the Company has no project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes.

- Re-use of treated effluent water in gardening and other processes.
- Collection of rain water at plant premises and its storage at dedicated water pond. The water pond's capacity is of 12500 KL
- Use of vegetation and food waste in making compost which in turn is used in fertilization and making of manure for the garden
- Hazardous wastes e.g. used oil; e-wastes, batteries, etc. are disposed off only to authorized recyclers.
- Treated solid waste is also disposed of only to authorized land filling site.

The Company has strong focus on clean technology, energy efficiency and renewable energy. Our renewable energy portfolio includes 27 MW based energy generation at various places in Gujarat.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Emissions/Waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the reporting period.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending(i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

The Company is associated / is a member of the following associations:

- a) Bombay Chamber of Commerce and Industry
- b) Gujarat Chamber of Commerce and Industry
- c) Ahmedabad Management Association
- d) Process Plant and Machinery Association of India
- e) Federation of Industries of India
- f) Federation of Kutch Industries Associations

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Although, the Company is member of the Associations, it has not lobbied in the above Areas.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has specific programmes/ initiatives/projects in pursuance of its CSR policy. The Company has carried out CSR Projects in pursuance of inclusive development, primarily focus on:

1. Education of children in rural areas :

Ratnamani Education Campus was initiated with a clear objective of imparting and upgrading quality based education in the Becharaji district of Mehsana Region. We aim to provide education which is affordable, relevant, meaningful and enriching thereby providing a balanced learning environment so as to make our children the leaders of tomorrow. We believe in opening up the

windows for learning opportunities and excel in the field of education to them and also with this motive, we have added many more institutes over the years under the umbrella of Shree Mahavir Education Trust which runs by Ratnamani Education Campus.

Till date, around 1200 students have been imparted education in different discipline of studies. With the aim of nurturing creativity, excellence and providing a rich academic experience, the campus is well equipped with modern infrastructure, library, science facility including its laboratories, Canteen facilities, Sports facilities and playground which are surrounded by lush green garden.

2. Health and Sanitation:

Understanding the importance of Central Government's campaign of making India "Clean India and Green India", it pursues for the cleanliness and eradicating open defecation. We have already constructed 220 household sanitary complexes in 5 different villages namely Bhimasar (25), Satapar (15), Tapar (75), Indrad (65) and Nenava Village (40) till date.

3. Rural Transformation:

Our Company has been instrumental in transforming the village of Nenava located in Banaskatha district by building adequate roads and other basic infrastructural facilities. Our Company also facilitates the government schools in every possible way and have been striving to bring up the literacy ratio in the village.

4. Enhancing vocational skills amongst women and children:

Our Company has been relentlessly working towards empowering the women of the village. To make the females and women of the Nenava Village self-reliant, vocational development classes for Sewing and Embroidery, Mehdi, Art & Craft etc. have been initiated. More than 300 females have been trained under these training classes.

5. Ensuring Environmental sustainability / Conservation of Ecology:

Our Company also works in the area of Environment Sustainability and hence, till date has planted number of trees at various vicinities of our facilities and also maintains it. To save the bird "Sparrow" from getting extinct our Company has started its own exclusive campaign called "Save the Sparrow". Till date more than 18000+ nests have been distributed in the region of Gujarat.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR projects are being implemented either directly by the Company or through various implementing partners who respect and agree to our organisation's core CSR values. These efforts are being undertaken preferably in the local area and areas around our work centres sites. To effectively manage, monitor and implement CSR initiatives of the company, and in terms of provisions of Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as a sub-committee to the Board.

3. Have you done any impact assessment of your initiative?

The Company is regularly receiving feedbacks of various CSR activities carried out and undertakes timely assessments of implemented projects for ensuring their desired impact and continued sustenance.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent ₹ 228.60 lacs on CSR activities during the F.Y. 2017-18. Details of the same is mentioned in Annexure-"D" of the Directors Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, where we implement CSR projects, we ensure that the initiative is successfully adopted by the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

During the year under review, total 6 (Six) customers complaints were received out of which 2 (Two) are pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)?

Yes, the detailed specifications are marked on the outer side of the product such as Company Name, Heat Number and Product's Grade, Length, Type of Pipe etc. are marked on the Pipes prior to dispatch.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.?

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, we are carrying out customer survey by sending Customer Feedback Form periodically and are trying to improve based on their suggestions / feedback.

Directors' Report

Dear Members,

Your Directors are pleased to present the 34th Annual Report of your Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2018.

1. FINANCIAL RESULTS AT A GLANCE

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	1,78,981	1,47,605	1,78,981	1,47,622
Other Income	3,242	1,400	3,242	1,406
Total Income	1,82,223	1,49,005	1,82,223	1,49,028
Profit before Tax	22,788	20,546	22,786	20,522
Less: Income tax expenses	7,609	6,116	7,609	6,116
Profit After Tax	15,179	14,430	15,177	14,406

2. OPERATIONAL REVIEW/STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company has achieved turnover of ₹ 1789.81 Crores compared to the previous of ₹ 1476.05 Crores. The total income on Standalone basis for the F.Y. 2017-18 was ₹ 1822.23 Crores, increased by 22.29% compared to the total income of the previous year, while the profit after tax for the year was ₹ 151.79 Crores, also increased by 5.19% compared to the previous year.

The Consolidated Gross Revenue from operations for F.Y. 2017-18 was at ₹ 1789.81 Crores, increased by 21.24% and the Consolidated Profit after tax at ₹ 151.77 Crores was also higher by 5.35%.

There are no material changes or commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

3. DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 6.00 per Equity Share having face value of ₹ 2.00 each (i.e. 300% on the paid-up capital) for the financial year ended on 31st March 2018. The total dividend pay-out for the F.Y. 2017-18 shall be ₹ 2803.68 lacs comprising of dividend amounting to ₹ 2232.92 lacs and dividend tax of ₹ 570.76 lacs. The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available at the web link <http://www.ratnamani.com/investorsrelations.html>

4. TRANSFER TO RESERVES

Your company does not propose to transfer any amount to any reserves of the Company for the year under review.

5. SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2018 was ₹ 934.56 Lacs divided into 4,67,28,000 Equity Shares of ₹ 2.00 each.

6. FINANCE

The Company does not have any long-term borrowings as on date.

7. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from the shareholders and public within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Directors

- As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Shri Shanti M. Sanghvi (DIN:00007955), Whole Time Director, seeking re-appointment at ensuing Annual General Meeting is annexed to the notice convening 34th Annual General Meeting.

The term of appointment of Shri Prakash M. Sanghvi, Managing Director, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi, Whole Time Directors is up to 31st October, 2018. Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 22nd May, 2018 has considered and approved the re-appointment of Shri Prakash M. Sanghvi as Managing Director, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi as Whole Time Directors for a further period of 5 (Five) consecutive years with effect from 1st November, 2018.

Further, the first term of appointment of Shri Divyabhash C. Anjaria, Shri Pravinchandra M. Mehta and Dr. Vinodkumar M. Agrawal, Independent Directors will be expiring at the ensuing 34th Annual General

Meeting. Based on their skills, experience, knowledge, performance, evaluation and recommendation of the the Nomination and Remuneration Committee and Board of Directors, it is proposed to re-appoint them for the second term of 5 (Five) consecutive years up to the conclusion of the 39th Annual General meeting to be held in the calendar year 2023.

The Company has also received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as per Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Their brief resumes, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, forms a part of the Notice of the 34th Annual General Meeting of the Company.

b) Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. The way the evaluation has been carried out has been explained in the Corporate Governance Report.

c) Remuneration Policy

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration as recommended by the Nomination & Remuneration Committee. The Remuneration Policy is incorporated in the Corporate Governance Report.

d) The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the web link: <http://www.ratnamani.com/investorsrelations.html>

B) Key Managerial Personnel

During the year, there was no change amongst the Key Managerial Personnel. The following persons are the Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Companies Act 2013, read with the Rules framed thereunder.

1. Shri Prakash M. Sanghvi, Managing Director
2. Shri Jayanti M. Sanghvi, Whole Time Director
3. Shri Shanti M. Sanghvi, Whole Time Director

4. Shri Vimal Katta, Chief Financial Officer

5. Shri Jigar Shah, Company Secretary & Compliance officer

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby states and confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profits of the Company for the financial year ended on 31st March 2018.
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors had prepared the Annual Accounts on a 'going concern' basis.
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. BOARD MEETINGS

Four Meetings of the Board of Directors were held during the year. For further details, please refer the Corporate Governance Report, which forms a part of this report.

12. AUDIT COMMITTEE

As provided in Section 177(8) of the Companies Act, 2013, the information about Audit Committee and its details are given in the Corporate Governance Report. The Board has accepted the recommendations of Audit Committee. Presently, Shri Divyabhash C. Anjaria is the Chairman of the Committee and Dr. V. M. Agrawal, Shri Jayanti M. Sanghvi and Smt. Nidhi G. Gadhecha are the members of the Committee.

13. STATUTORY AUDITORS

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. S.R.B.C. & Co., LL.P. Chartered Accountants, have been appointed as Statutory Auditors of the Company to hold office till the conclusion of the 35th Annual General Meeting, as approved by the members at their 30th Annual General Meeting held on 11th September 2014.

Based upon the recommendation of the Audit Committee meeting held on 21st May, 2018, the Board of Directors at its

meeting held on 22nd May, 2018 has considered and approved the appointment of M/s. Kantilal Patel & Co. Chartered Accountants, Ahmedabad as the Joint Statutory Auditors for a period of 5 (Five) years from the conclusion of the ensuing 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company to be held in the calendar year 2023, subject to the approval of the Shareholders.

Your company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force), from M/s. Kantilal Patel & Co., Chartered Accountants. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

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.

14. COST AUDITORS

Your Directors have, on the recommendation of the Audit Committee, appointed M/s. N. D. Birla & Co., Cost Accountants, as the Cost Auditors of the Company to audit the Cost accounts for the financial year 2018-19 on a remuneration of ₹ 1,20,000/- plus taxes as applicable and out of pocket expenses subject to ratification of the said remuneration by the Members in ensuing Annual General Meeting. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. N.D. Birla & Co., Cost Accountants, is included at Item No.5 of the Notice convening the Annual General Meeting. The Cost Auditors' Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

Your company has received consent from M/s. N. D. Birla & Co., Cost Accountants, to act as the Cost Auditors for conducting audit of the cost records for the financial year 2018-19 along with a certificate confirming their independence and arm's length relationship.

15. SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. M. C. Gupta & Co., Company Secretaries in practice as the Secretarial Auditors of the Company to conduct an audit of the secretarial records, for the financial year 2018-19. Your Company has received consent from M/s. M. C. Gupta & Co., Company Secretaries in practice to act as the Secretarial

Auditors for conducting audit of the secretarial records for the financial year ending on 31st March, 2019.

16. CREDIT RATING

CRISIL has reaffirmed "AA/stable" rating for the Company's long-term borrowings and "A1+" for its short-term borrowings.

17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit function is handled by an external firm of Chartered Accountants. The Internal Control Systems are regularly being reviewed by the Company's Internal Auditors with a view to evaluate the efficacy and adequacy of Internal Control Systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and to ensure that these are working properly and wherever required, are modified/ tighten to meet the changed business requirements.

All the Business Heads / Function Heads are certifying the compliance to all applicable rules, regulations and laws every quarter to the Board and are responsible to ensure that internal controls over all the key business processes are operative. The scope of the Internal Audit is defined and reviewed every year by the Audit Committee and inputs, wherever required, are taken from the Statutory Auditors. Based on the report of Internal Auditors, major audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

18. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy and Technology Absorption

Information required under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, as amended from time to time is given in Annexure-"A" forming part of this report.

The Company has commissioned windmills at various sites in Gujarat for "Green Energy Generation", thus continuing to contribute, in a small way, towards a greener and cleaner earth.

19. RISK MANAGEMENT

Your company has an elaborate Risk Management procedure covering Business Risk, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis within the risk appetite as approved from time to time by the Board of Directors. Your company has already set up a Risk Management Committee in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The key risks and mitigating actions are also placed before the Audit Committee and the Board of Directors of the Company.

As on the date of this report, the Company does not foresee any critical risk, which threatens its existence.

The details of foreign exchange earnings and outgo as required under Section 134 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned in Annexure-"A".

20. SUBSIDIARY, ITS PERFORMANCE AND CONSOLIDATED FINANCIAL STATEMENT

The Company has one Wholly Owned Subsidiary in the State of Delaware, USA in the name "Ratnamani Inc." During the year under review, the performance of the subsidiary was not so good, it was declined due to lower crude prices and lower demand from Oil & Gas sector. As a consequence, the subsidiary recorded a loss of US \$ 3052.50 (equivalent to ₹ 1.95) Lacs) for the year ended on 31st March, 2018 [Previous Year: Loss of US \$ 36,130.02 (equivalent to ₹ 23.98) Lacs)]. A report on the performance and financial position of the subsidiary is given in Annexure-"B". Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which have been prepared in accordance with the applicable provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") for financial year ended 31st March, 2018 and approved by the Board. These Consolidated Financial Statements have been prepared on the basis of Audited Financial Statements of the Company and its subsidiary company, as approved by their respective Board of Directors.

The Financial Statements as stated above are also available on the website of the Company and the same can be accessed at the web link: http://www.ratnamani.com/investors_relations.html

21. CORPORATE GOVERNANCE REPORT

Your company is committed to good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with. The details are given in Annexure-"C".

The Board has framed Code of Conduct for all Board members and Senior Management of the Company and they have affirmed the compliance during the year under review.

The Board has also framed "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". The Code casts obligations upon the Directors and Officers of the Company to prevent / preserve Price Sensitive Informations, which may likely to have a bearing on the share price of the Company. Those who are in the knowledge of any such information are prohibited to use such information for any personal purpose. Similarly, the Code also prescribes how such information needs to be handled, disclosed or made available to the Public through Stock

Exchanges, Company's website, Press, Media, etc. The Company Secretary & Compliance Officer has been entrusted with the duties to ensure compliance.

The Board has received CEO/CFO Certification under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and the Secretarial Auditors' Certificate regarding compliance of conditions of Corporate Governance are attached and forms part of the Annual Report.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy may be accessed on the Company's website at the web link: http://www.ratnamani.com/investors_relations.html

The key philosophy of all CSR initiatives of the Company is guided by the Company's philosophy of giving back to the society as a responsible corporate citizen.

The Company has identified the following as focus areas of engagement:

- Education: Access to quality education, training and skill enhancement.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Rural Transformation: Provision of drinking water, sewage facilities, sanitation Facilities and roads
- Health: Affordable solutions for healthcare through improved access and awareness.
- The Company would also like to undertake need-based initiatives in future.

During the year, the Company has spent ₹ 228.60 Lacs on CSR activities. The detail of CSR activities and expenses are given in Annexure-"D".

24. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT-9 of the Company is annexed herewith as Annexure-"E" to this Report.

25. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in Annexure-"F" to this Report.

26. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed with the Directors' Report and forms part of the Annual Report as given in Annexure-"G". Further, the Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

27. BUSINESS RESPONSIBILITY REPORT

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for top 500 listed entities based on market capitalisation. In compliance with this regulation, the Business Responsibility Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives. The same is set out in a separate section included in this Annual Report and forms part of this Report.

28. DISCLOSURES:

A. Vigil Mechanism

The Vigil Mechanism of the Company also incorporates a whistle blower policy in terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Protected disclosures can be made by a whistle blower through an e-mail, a letter to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the web link: http://www.ratnamani.com/investors_relations.html

B. Related Party Transactions

The Company has framed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is hosted on the Company's website at web link: http://www.ratnamani.com/investors_relations.html

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons that may have a potential conflict with the interest of the Company as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions have been placed before the Audit Committee and also before the Board for approval.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 with Section 188(2) of the Companies Act, 2013 is mentioned in the form AOC - 2, which is given in Annexure-"H".

C. Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 :

The Company is an equal opportunity Company and has zero tolerance for sexual harassment at workplace. It has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2017-18, there was no complaint/case of sexual harassment and hence no complaint remains pending as on 31st March, 2018.

D. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/instances on these items during the year under review:

- There has been no material change in the nature of business during the year under review.
- Issue of equity shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.
- There were no events to report that has happened subsequent to the date of financial statements and the date of this report.
- Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, which affect the going concern status and Company's operations in future.

APPRECIATION

Your Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to the continued support of all stakeholders in future also.

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI

Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: A**ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014****A Conservation of Energy:**

The Company is constantly striving to have high degree of optimization, conservation of energy and absorption of technology. Major initiatives taken by the Company during the financial year 2017-18 are listed below:

I. The steps taken or impact on conservation of Energy

- i. Conventional lights have been replaced by energy efficient LED Lights.
- ii. Replaced old motors with high energy efficient motors.
- iii. Replaced old technology air compressor with latest variable Frequency Driven Energy efficient air compressor

II. The steps taken by the Company for utilising alternate sources of Energy

- i. The Company has replaced Halogen lights and High Bay Light in plants with LED Lights and Solar Lights.
- ii. The Company has replaced lower KW AC Drive and Motor in place of Higher KW DC Drive and motor.

III. The Capital Investment on Energy Conservation Equipments

The Company has made a Capital Investment of ₹8.07 lacs on Energy Conservation equipments in S.S. Plant in Kutch, ₹ 26.90 Lacs in C.S. Plant in Kutch and ₹ 5.76 Lacs in S.S. Plant in Indrad.

B. Technology Absorption:**I. The efforts made towards technology absorption**

- i. Automation made in Cutting Tube Machine in S.S Plant.
- ii. Up-gradation in Titanium Pipe Rolling Machine.
- iii. Installation of Hot water wash cleaning system of Tubes which improve the product quality.
- iv. Replacement of old technology Weld Seam Tracking System with Digital Laser Seam Tracking System.
- v. New Weld Technology with Servo Control System installed in Off line Welding System.
- vi. Automation made in Hydro Pressure Testing Machine, Eddy Current Testing Machine, Tube Straightening Machine. Online Bearing Lubricant System were installed in Pilgers for increasing the life of bearings.

II. The Benefits derived like product improvement, cost reduction, product development or import substitution

- i. Improved quality of cutting machine which saves the man power cost and machine cost.
- ii. Load handling capacity increased, hence the Gearbox life was increased and cost reduced.
- iii. With Tube Mill modification, it enhance the capability for Titanium Tube production.
- iv. With lower rating drives and motors resulting to lower energy consumption and lower maintenance. Hence it resulted into cost reduction and enhanced the productivity.
- v. Installation of LED lights in plants, resulted in quality improvement, enhanced yields, higher throughput and reduction in manpower.
- vi. Automatic epoxy powder transfer system installed in plant.
- vii. By using Digital Seam Laser Seam Tracking System the productivity got improved.
- viii. By replacing the main working line body of Pilgers, it increased the capacity of the machines.
- ix. New corrosion testing facility developed in NACE Laboratory.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company had imported OD Measurement System from Germany and ID Eddy Current Machine from Canada for the Quality Control department.

IV. The expenditure incurred on Research and Development.

During the year under review, no expenditure has been incurred in Research and Development activities.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

i. Export sales: activities, development initiatives and future plans:

The Company is exporting its products across the globe, mainly in the countries like USA, UK, France, Germany, Italy, Netherlands, Japan, South Korea, Middle East countries etc. The Company is striving to increase its exports reach through various business initiatives. The Company keeps close watch on global developments with an aim to cater to global requirements to the maximum extent possible.

ii Total foreign exchange used and earned:

(₹ in Lacs)		
Particulars	Current year 2017-18	Previous year 2016-17
Foreign Exchange Earnings (FOB)	₹ 44,379.03	₹ 25,545.53
Foreign Exchange Outgo	₹ 1,158.80	₹ 507.86

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI

Chairman and Managing Director

DIN: 00006354

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: B**SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARY AS PER COMPANIES ACT, 2013**

Sr. No	1		1	
Name of subsidiary	Ratnamani Inc.,USA		Ratnamani Inc.,USA	
Reporting period	2017-18		2016-17	
Reporting currency	USD	INR(Rs./Lacs)	USD	INR(Rs./Lacs)
Exchange Rate	1 USD = ₹ 64.14		1 USD = ₹ 64.10	
Share capital	10,000.00	6.08	10,000.00	6.08
Reserves & surplus	127,563.43	82.15	130,615.93	84.05
Total Assets	141,036.93	90.46	145,790.93	93.45
Total Liabilities	3,473.50	2.23	5,175.00	3.32
Investments	-	-	-	-
Turnover	-	-	964,907.63	640.64
Profit before taxation	-3,052.50	-1.95	-36,150.02	-23.98
Provision for taxation	-	-	-20.00	-
Profit after taxation	-3,052.50	-1.95	-36,130.02	-23.98
Proposed Dividend	-	-	-	-
% of Shareholding	100%		100%	

Note:

- 1) The Company has no Joint venture/Associates Companies.
- 2) None of the subsidiaries have been liquidated or sold during FY 2017-18 & 2016-17.

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI
Chairman and Managing Director
S. M. SANGHVI
Whole Time Director
DR. V. M. AGRAWAL
Director
NIDHI GADHECHA
Director
VIMAL KATTA
Chief Financial Officer

J. M. SANGHVI
Whole Time Director
D. C. ANJARIA
Director
P. M. MEHTA
Director

JIGAR SHAH
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: C

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in both letter and spirit. The Company's philosophy on Corporate Governance strives to achieve optimum performance at all levels by adhering to good Corporate Governance practices by Fair and transparent business practices, Effective management control, Adequate representation of Promoters and Independent Directors on the Board, Compliance of various laws. Further, it has been strengthened through the Model Code of Conduct for the Directors / Designated Employees of the Company for prevention of Insider Trading and it has also been amended from time to time in line with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations in this regard.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India ("SEBI") in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

1) BOARD OF DIRECTORS

The business of the Company is conducted under the directions of the Board. The Chairman and Managing Director and Whole Time Directors look into the day-to-day business affairs of the Company. The Board formulates strategies, regularly reviews the performance of the Company and ensures that the projected targets and agreed objectives are met on a consistent basis. The Board has constituted various committees, which guide the matters delegated to them in accordance with their terms of reference. The Executive Directors/Senior Managerial Personnel/Functional Heads assist the Chairman and Managing Director and the Senior Managerial Personnel/Functional Heads assist the Executive Directors in overseeing the functional matters of the Company.

Composition of the Board

The Board of Directors of your Company consists of balanced mix of Executive and Non-Executive Directors which meets the requirement of the Corporate Governance as stipulated under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as Professionals and also from Business Executives and through their valuable experience.

The Executive Chairman heads the Board of Directors. The total strength of the Board of Directors of the Company is 7 (Seven) members as on 31st March, 2018, comprising of 3 (Three) Executive Directors and 4 (Four) Non-Executive Independent Directors including one Women Director.

The details of composition of the Board as at 31 st March, 2018 and other information are given herein below:

Category	Name of the Director(s)	Position held	No. of Directorships in listed entities	Memberships/ Chairmanships of Committee		No. of Equity Shares held as on 31st March, 2018
				Member ship	Chairman ship	
Promoter Executive	Shri Prakash M. Sanghvi	Chairman & Managing Director	1	0	0	71,86,385
	Shri Jayanti M. Sanghvi	Whole Time Director	1	2	0	38,61,195
	Shri Shanti M. Sanghvi	Whole Time Director	1	0	0	18,16,995
Independent Non-Executive	Shri Divyabhas C. Anjaria	Independent Director	2	3	3	22,065
	Dr. V. M. Agrawal	Independent Director	1	2	0	27,500
	Shri Pravinchandra M. Mehta	Independent Director	1	0	0	7,000
	Smt. Nidhi G. Gadhecha	Independent Women Director	1	1	0	Nil

Notes:

1. Shri Prakash M. Sanghvi, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi are brothers and related to each other.
2. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than five Committees (as specified in Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all the Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Directors' Attendance Records for the financial year ended on 31 st March, 2018

Sr. No.	Name of Director(s)	No of Board Meetings held During the period when Director was on the Board	No of Board Meetings attended	Presence at the last A.G.M.
1	Shri Prakash M. Sanghvi	4	4	Yes
2	Shri Jayanti M. Sanghvi	4	3	Yes
3	Shri Shanti M. Sanghvi	4	4	Yes
4	Shri Divyabhash C. Anjaria	4	4	Yes
5	Shri Pravinchandra M. Mehta	4	4	Yes
6	Dr. Vinodkumar M. Agrawal	4	3	Yes
7	Smt. Nidhi G. Gadhecha	4	3	Yes

During the Financial Year 2017-18, Four Board Meetings were held on 17th May, 2017, 11th August, 2017, 9th November, 2017 and 9th February, 2018 including one meeting where one of the Directors participated through video conferencing. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 17th May, 2017, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

An appointment letter is issued to a newly appointed Independent Director containing the terms of appointment, duties and responsibilities. A newly appointed Independent Director is taken through a formal familiarisation program including the corporate presentations, corporate film, details about the products of the Company, the user market, raw material suppliers, key risks, strengths of the Company, etc. The Company periodically arranges presentation on new developments in the law by outside experts, on their roles, rights and responsibilities towards the Company. The quarterly financial details are also accompanied with various analytical reports so as to help the directors understand the performance in a better way. The familiarisation programme of Independent Directors may be accessed on the Company's website at the web link at <http://www.ratnamani.com/investorsrelations.html>

EVALUATION OF THE BOARD'S PERFORMANCE:

As required, a formal mechanism for evaluating performance of the Board and that of its Committees and individual Directors, including the Chairman of the Board has been set in place by the Board.

The performance evaluation is based on performance of the Company, including financial, vis. a vis. the market conditions, its peers, global market conditions, its installed capacities, etc. It also covers compliance of various statutes, regulations, rules, etc. and the technological up gradations.

Performance of individual Directors has been evaluated considering their attendance, participation in the discussions, contribution at the meetings and otherwise, guiding the management on the CAPEX and other budgetary proposals, risk management, independent judgment, safeguarding of interest of all the stakeholders, etc.

The evaluation of the Independent Directors, the Chairman and the Non-Independent Directors was carried out by the entire Board. The criteria for evaluation of Independent Directors is their knowledge, expertise in their fields, contribution in important decision making in the Board and Committee Meetings etc. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Board Meetings, Board Committee Meetings and Procedures

In terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under the Companies Act, 2013, the Board meets at least once in a quarter with a gap between two meetings not exceeding one hundred and twenty days. Additional meetings of the Board are held whenever deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation in Board Meeting as well as Committee Meetings. The meetings are usually held at the Company's offices.

The Agenda and the papers for consideration at the Board and Committee Meetings are circulated to the Directors in advance. Adequate information is circulated as part of the Board and Committee Agenda papers and is made available at the Board and Committee Meetings to enable the Members of the Board and Committees to take vital decisions. Senior Executives are invited to attend the Board and Committee Meetings as and when required. The Company is also providing video conferencing facility to a Director on his/her request in advance.

The information as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) is being made available to the Shareholders.

The Company ensures compliance of various statutory requirements by all its business divisions and obtains quarterly reports in the form of certificates from the heads of the business divisions and functional heads. These certificates are placed before the Board and/or a Committee on quarterly basis.

Other provisions as to Board and Committees were compiled with during the year under review.

2) BOARD COMMITTEES

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensures expedient resolution of the diverse matters. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the committees are placed before the Board for information and/or for approval.

The Company has at present the following committees namely:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee
- iv) Corporate Social Responsibility Committee

- v) Risk Management Committee
- vi) Sub-committee for Borrowings
- vii) Project Review Committee
- viii) Management Committee

2.1. Audit Committee

Composition

The Audit Committee comprises of Three Non-Executive Independent Directors who are eminent professionals and one Executive Director.

The members of the Audit Committee comprise of Shri Divyabhash C. Anjaria, an ex-banker and financial expert, who is the Chairman of the Committee, Dr. V. M. Agrawal, an eminent professional, Smt. Nidhi G Gadhecha, a Chartered Accountant and Shri Jayanti M. Sanghvi, Whole Time Director.

The Audit Committee Meetings were also attended by the representatives of the Statutory Auditors, Internal Auditors and Chief Financial Officer of the Company.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, four meetings of the Audit Committee were held on 16th May, 2017, 9th August, 2017, 7th November, 2017 and 9th February, 2018 including one meeting where one of the Directors participated through video conferencing. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company held on 12th September, 2017.

The following table summarises the attendance of the Committee members:

Name of the Director(s)	Category	Status	No. of Meetings held	No. of Meetings attended
Shri Divyabhash C. Anjaria	Independent Non-Executive	Chairman	4	4
Dr. Vinod M. Agrawal	Independent Non-Executive	Member	4	3
Smt. Nidhi G. Gadhecha	Independent Non-Executive	Member	4	4
Shri Jayanti M. Sanghvi	Promoter Executive	Member	4	3

Overall Attendance: 87.50%

The Audit Committee meetings during the year were held as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. Minutes of each Audit Committee Meeting are placed and discussed in the meeting of the Board of Directors.

Terms of reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's Internal Control and Financial Reporting Process. The terms of reference of the Audit Committee are in accordance with all the items listed as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it inter-alia performs the following functions.

- A. Oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- B. Recommending for appointment, remuneration and terms of appointment of auditors of the Company.
- C. Approval of payment to statutory auditors for any other service rendered by them.
- D. Examination of the annual financial statements and the auditors' report thereon.
- E. Reviewing the quarterly financial statements of the Company.
- F. Management discussion and analysis of financial conditions and results of operation.
- G. Internal audit report or statutory auditor's report.
- H. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- I. Approval or any subsequent modification of transactions of the Company with related parties.
- J. Scrutiny of inter-corporate loans and investments.

- K. Valuation of undertakings or assets of the Company, wherever it is necessary.
- L. Evaluation of internal financial controls and risk management systems.
- M. Reviewing statutory and internal auditor's performance and adequacy of the internal control system.
- N. Reviewing the adequacy of internal audit function including structure of the internal audit department, staffing, reporting structure coverage and frequency of internal audit.
- O. Reviewing finding of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matter to the Board.
- P. Review the functioning of the whistle blower mechanism.

Powers

The Audit Committee has the following Powers:

- i. To investigate any activity within its terms of reference.
- ii. To seek any information from any employee.
- iii. To obtain outside legal and professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

2.2. Nomination and Remuneration Committee

Composition

Pursuant to the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee comprises of the following 3 (Three) Independent Non-Executive Directors, namely Shri DivyabhashC. Anjaria, an ex-banker and financial expert is the Chairman of the Committee, Dr. Vinod M. Agrawal and Shri Pravinchandra M. Mehta eminent professionals are members of the Committee.

Meetings and Attendance

A meeting of the Nomination and Remuneration Committee was held on 17th May, 2017. The Chairman of the Committee had also attended the last Annual General Meeting of the Company.

Name of the Director(s)	Category	Status	No. of Meetings held	No. of Meetings attended
Shri D. C. Anjaria	Independent Non-Executive	Chairman	1	1
Dr. V. M. Agrawal	Independent Non-Executive	Member	1	1
Shri P. M. Mehta	Independent Non-Executive	Member	1	1

Overall attendance: 100%

The Company Secretary acts as the Secretary to the Committee.

Terms of reference:

The terms of reference of the Committee inter alia, include the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and to decide to extend or continue the term of appointment of the Independent director on the basis of the report of performance evaluation and to recommend to the Board of Directors a policy relating to the remuneration of the Directors and KMP and other employees.
- To evaluate the performance of Independent directors and the Board of Directors.
- To devise a policy on diversity of Board of Directors.
- To identify persons who are qualified to become Directors, as and when so required, and who may be appointed in Senior Management in accordance with the criteria laid down by the Committee.
- To consider and recommend to the Board removal of Directors, other persons in Senior Management and Key Managerial Personnel (KMP);
- To review HR Policies and Initiatives.

Remuneration of Directors / Key Managerial Personnel / Senior Management/ other Employees

- To evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMPs, Senior Management and other employees of the Company and to review the same from time to time.

The Remuneration Policy of Key Managerial Personnel and other employee are as under:

i) Fixed pay:

- a) Basic salary
- b) Allowances
- c) Perquisites
- d) Retirement benefits

ii) Variable pay (applicable to Executive Directors)

Factors for determining and changing fixed pay:

- i) Existing compensation
- ii) Educational Qualifications
- iii) Experience
- iv) Salary structure for the position
- v) Performance
- vi) Compensation ruling in the Market in similar industries for similar positions

Factors for determining variable pay:

- i) Company performance
- ii) Individual's performance

2. Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board and certain Committees thereof. The Company also reimburses out of pocket expenses to Non-Executive Directors for attending the meetings.

a. Details of Remuneration / Sitting fees of Directors

The details of Remunerations / Sitting fees paid to Executive and Non-Executive Directors for the financial year 2017-18 are as under:

(₹ in Lacs)

Name of Director	Salary	Commission	Perquisites	Retirement Benefits	Sitting Fees	Total
Shri Prakash M. Sanghvi	149.00	850.00	0.00	17.88	-	1016.88
Shri Jayanti M. Sanghvi	104.80	510.00	11.67	12.57	-	639.04
Shri Shanti M. Sanghvi	88.70	340.00	8.87	10.64	-	448.21
Shri Divyabhash C. Anjaria	-	-	-	-	2.21	2.21
Shri Pravinchandra M. Mehta	-	-	-	-	1.70	1.70
Dr. Vinod M. Agrawal	-	-	-	-	1.70	1.70
Smt. Nidhi G. Gadhecha	-	-	-	-	1.36	1.36

The other details of the service contract of Executive Directors are as follows:

Terms of Agreement	Shri Prakash M. Sanghvi	Shri Jayanti M. Sanghvi	Shri Shanti M. Sanghvi
Period of Appointment	5 Years	5 Years	5 Years
Date of Appointment with effect from	1st November, 2013	1st November, 2013	1st November, 2013
Shareholders' approval in the AGM held on	12th August, 2013	12th August, 2013	12th August, 2013
Notice Period for the termination of the Contract	The services of all the three Executive Directors are contractual and for a term of five years. For any termination of Service Contract, the Company or the Executive Director is required to give a notice of three Months or pay three month's salary in lieu thereof to the other party.		

The Non-Executive Directors were paid Sitting Fees of ₹ 17,000/- w.e.f. 25th June, 2013 for each Board Meeting and for certain Committee Meetings attended during the year 2017-18.

2.3. Stakeholders Relationship Committee

Composition and terms of reference

The Stakeholders Relationship Committee has been constituted as per the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is entrusted with the responsibility of addressing the shareholders / Investors complaints with respect to transfer and transmission of shares, issue of duplicate share certificates, splitting and consolidation of shares, Non-receipt of Share Certificates, Annual Report, Dividend etc.

Two meetings of the Stakeholders Relationship Committee were held on 17th May, 2017 and 9th February, 2018. The Committee also recommends steps to be taken for quality services to the investors. The composition of the said Committee and details of meeting are as under:

Name of the Director(s)	Category	Status	No. of Meetings held	No. of Meetings attended
Shri Divyabhash C. Anjaria	Independent Non-Executive	Chairman	2	2
Dr. Vinod M. Agrawal	Independent Non-Executive	Member	2	2
Shri Jayanti M. Sanghvi	Promoter Executive	Member	2	1

The Company Secretary acts as the Secretary to the Committee.

Investors' Complaints

The particulars of Investors' complaints received and redressed during the financial year are furnished below:

Sr. No	Nature of Complaints	Opening Balance as on 1st April, 2017	Received during the Year	Redressed / Attended during the year	Pending as on 31st March, 2018
1	Non-receipt of share certificate after transfer of Shares	Nil	Nil	Nil	Nil
2	Non-receipt of Dividend Warrants	Nil	3	3	Nil
3	Non receipt of Annual Reports	Nil	1	1	Nil
4	Others :				
	a) Query regarding Demat Credit	Nil	Nil	Nil	Nil
	b) Non-receipt of duplicate share certificate after issue	Nil	Nil	Nil	Nil
	c) Non-Exchange of New shares	Nil	Nil	Nil	Nil
	Total	Nil	4	4	Nil

At present, entire activities related to share transfers, transmission, exchange of shares etc. is handled by the Registrar and Transfer Agent, a SEBI authorized Registrar, which also provides electronic connectivity with NSDL and CDSL to carry out such assigned work.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issuance of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the Stock Exchanges on a half yearly basis.

2.4 Corporate Social Responsibility Committee

Composition & Terms of reference

The Corporate Social Responsibility Committee has been constituted as per the Companies Act, 2013. The committee formulates, reviews and recommends the amount of expenditure to be incurred on CSR activities and regularly monitors CSR activities to accomplish the objectives of implementation of CSR policy. The CSR Committee comprises of 3 (Three) Directors out of which 2 (Two) Directors are Executive and 1 (One) is an Independent Director of the Company. Shri Pravinchandra M. Mehta, Independent and Non-Executive Director is the Chairman, Shri Prakash M. Sanghvi and Shri Jayanti M. Sanghvi are the members of the Committee.

Meetings and Attendance

During the year, 2 (Two) Meetings were convened and held on 11th August, 2017 and 8th February, 2018. All the members were present in the above meetings.

The Company Secretary acts as the Secretary to the Committee.

2.5 Risk Management Committee

Composition and terms of reference

The Company has constituted the Risk Management Committee on 10th November, 2011. It is non-mandatory requirement as per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However as a part of better corporate governance, the Company has formed the Risk Management Committee to frame and supervise risk management policies of the Company and also to review various risks being faced by the Company and to formulate the mitigation plans thereof from time to time. During the year, one of the Committee meeting was held on 16th May, 2017.

Composition, Meetings and attendance

The Risk Management Committee comprises of Shri Divyabhash C. Anjaria, Independent Non-Executive Director (Chairman) and Shri Prakash M. Sanghvi, Chairman and Managing Director (Member). During the year under review, no Meeting was held.

The Company Secretary acts as the Secretary to the Committee.

3 GENERAL BODY MEETINGS

A. Annual General Meeting:

The details of date and time of the Annual General Meetings (AGMs) of the Company held during the preceding three years held at "The Ahmedabad Textile Mills Association Hall, Ashram Road, Ahmedabad" and the Special Resolutions passed there are as under:

AGM	Financial Year	Date	Time	Special Resolutions Passed
31st	2014-15	23/09/2015	10.00 a.m.	NIL
32nd	2015-16	27/08/2016	10.00 a.m.	1*
33rd	2016-17	12/09/2017	10.00 a.m.	1*

* Special resolutions indicated above were passed through E-voting

B. Postal Ballot

No Special resolutions were passed through Postal Ballot during the financial year 2017-18.

4) DISCLOSURES

4.1 Related party transactions

Full disclosure of related party transactions as per the Indian Accounting Standard - 24 issued by the Institute of Chartered Accountants of India is given under Note No.29 of Notes to Financial Statements. The Company has formed Related Party Transaction Policy and the same is hosted on the website of the Company.

4.2 Accounting Treatment

Financial Statements for the year under review were prepared in accordance with the Indian Accounting Standards and there is no deviation, nor any alternative treatment given.

4.3 Risk Management

The Company regularly reviews the risks and takes corrective actions for managing/mitigating the same. The internal control systems provide support for risk management of the Company. The Board has approved Corporate Financial Risk Management Policy and the same is being evaluated on quarterly basis.

4.4 Strictures/Penalties

The Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities on any matters related to Capital Markets during the last three years..

4.5 Statutory Registers

All the statutory registers that are required to be maintained, particularly Registers of contracts in which Directors have interests, Registers of Directors Shareholding, Register of Investments etc. are maintained and regularly updated.

4.6 Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism/Whistle Blower Policy / under which an employee can report any violation of applicable laws, rules and the Company's Code of Conduct, etc. to the Chairman of the Audit Committee.

4.7 Policy on Preservation of Documents

Pursuant to the requirements under Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formulated and approved a Policy on Preservation of Documents prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organisation who handle the prescribed categories of documents.

4.8 Compliance of Regulation 17 to 27 and 46 of Listing Regulations

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub – regulation (2) of Regulation 46 of Listing Regulations.

4.9 Shareholders Rights

Quarterly Financial Results including Press Release of relevant period of three months are being published in the newspaper and hosted on the website of Stock Exchanges as well as the Company's website.

4.10 Training of Board Members

There is no formal policy at present for training the Board Members of the Company, as the members on our Board are Professionals/Business Executives/ Eminent/ Experienced Professional persons. However, for orientation and to get familiar with the Company's business operation and practices, Directors visit all the three divisions periodically at the plant sites of the Company. Besides, detailed representations are periodically made to the Board Members on the business model of the Company. The Directors endeavor to keep themselves updated with changes in economy and legislation.

4.11 Audit qualifications

There are no qualifications in the Auditors' Report on the Financial Statements of the Company for the F.Y. 2017-18.

4.12 Reporting of Internal Auditors

The Internal Auditors directly report to the Whole Time Directors.

4.13 Compliance of Regulation 26(6) of Listing Regulations

In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profitsharing in connection with dealings in the securities of the Company.

5) CERTIFICATION

The Board has received MD & CFO Certification under Clause 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was placed before the Board of Directors of the Company.

6) MEANS OF COMMUNICATIONS

The quarterly, half-yearly and annual financial results of the Company are sent to the stock exchanges immediately after these are approved by the Board. These are widely published in the Economic Times (Gujarati)/ Economic Times (English) etc.

The results are simultaneously posted on the Company's website at www.ratnamani.com. Other communications are as under:

News Releases	Official press releases are sent to stock exchanges as well as displayed on the Company's website.
NSE Electronic Application Processing System (NEAPS)	The listing compliances are also filed electronically on NEAPS.
BSE Corporate Compliance & Listing Centre	The listing compliances are also filed electronically on BSE Corporate Compliance & Listing Centre.
Annual Report	Annual Report is circulated to the members and all others like Auditors, equity analysts, etc.
Management Discussion & Analysis	This forms a part of the Annual Report, which is mailed to the shareholders of the Company.
Business Responsibility Report	This forms a part of the Annual Report, which is mailed to the shareholders of the Company.
Investor Services	The Company has designated an exclusive e-mail id viz. investor@ratnamani.com for investor services and grievances.

1) GENERAL SHAREHOLDERS INFORMATION

A. Tentative Financial Calendar for the Financial Year 2018-19

Financial Year	:	1st April, 2018 to 31st March, 2019
Financial Results First Quarter ended on 30th June, 2018	:	Second week of August, 2018
Half year ended on 30th September, 2018	:	Second week of November, 2018
Third Quarter ended on 31st December, 2018	:	Second week of February, 2019
Fourth Quarter ended on 31st March, 2019	:	Last week of May, 2019
AGM for the year 2018-19	:	August / September, 2019

B. Listing on Stock Exchanges

The Company's shares are listed and traded on BSE Ltd. as well as National Stock Exchange of India Ltd having the following address:

BSE Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Bandra	Exchange Plaza, C-1, Block G, Bandra – Kurla Complex, East, Mumbai – 400 051

C. Listing Fees to Stock Exchanges

The Company has paid the Listing Fees for the year 2018-19 to the above Stock Exchanges.

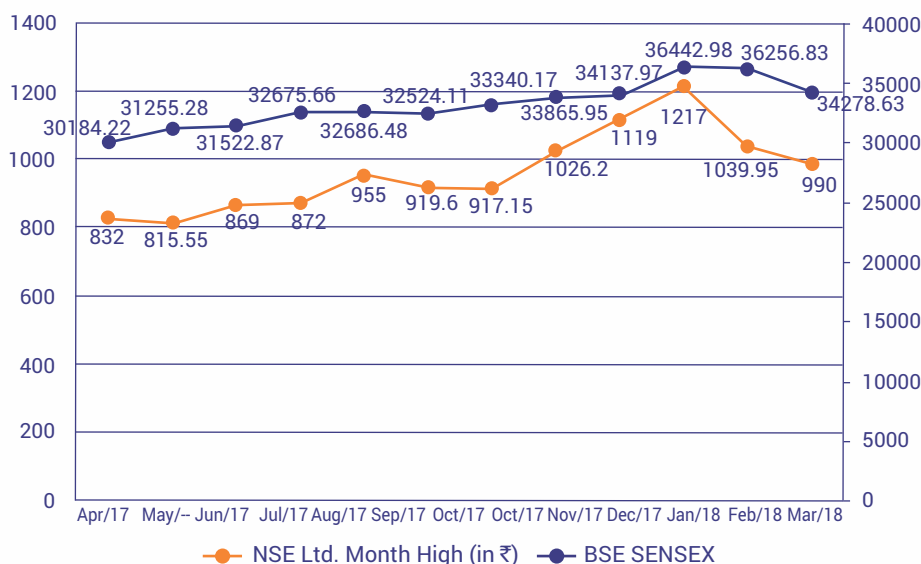
D. Stock Code / Symbol

Stock Exchanges	Scrip Code
BSE Ltd (BSE)	520111
National Stock Exchange of India Ltd. (NSE)	RATNAMANI
ISIN	INE703B01027

E. Market Price Data

Performance in comparison to broad-based indices viz. BSE SENSEX

Month	Share price BSE		BSE SENSEX		BSE Volumes (No. of Shares)	Share price NSE		NSE (NIFTY)		NSE Volumes (No. of Shares)
	High (₹)	Low (₹)	High	Low		High (₹)	Low (₹)	High	Low	
April-17	832.00	751.60	30184.22	29241.48	27753	824.90	748.15	9367.15	9075.15	1,55,116
May-17	815.55	697.00	31255.28	29804.12	35854	817.95	701.00	9649.60	9269.90	1,26,831
June-17	869.00	707.05	31522.87	30680.66	159303	873.00	711.05	9709.30	9448.75	3,49,121
July-17	872.00	798.25	32672.66	31017.11	160471	875.00	801.00	10114.85	9543.55	2,01,088
Aug-17	955.00	791.65	32686.48	31128.02	68928	958.90	792.50	10137.85	9685.55	6,88,706
Sept-17	919.60	850.00	32524.11	31081.83	35586	920.05	855.05	10178.95	9687.55	6,30,081
Oct-17	917.15	855.00	33340.17	31440.48	23945	919.00	855.55	10384.50	9831.05	2,20,570
Nov-17	1026.20	875.00	33865.95	32683.59	144314	1029.00	869.95	10490.45	10094.00	4,33,687
Dec-17	1119.00	921.05	34137.97	32565.16	22115	1119.00	926.25	10552.40	10033.35	2,67,983
Jan-18	1217.00	999.00	36443.98	33703.37	156421	1125.00	1020.00	11171.55	10404.65	6,80,346
Feb-18	1039.95	885.00	36256.83	33482.81	54018	1039.10	857.35	11117.35	10276.30	1,93,485
Mar-18	990.00	840.00	34278.63	32483.84	34752	992.95	846.15	10525.50	9951.90	2,19,267

RATNAMANI METALS AND TUBES LTD

F. Registrar & Share Transfer Agents (RTA)

M/s. Link Intime India Private Limited as a Registrar and Transfer Agent of the Company.

G. Share Transfer System

In compliance with SEBI guidelines, the Company has appointed M/s. Link Intime India Private Limited as its Registrar & Transfer Agent for Physical and Electronic form of shareholding. All the shareholders of the Company are therefore requested to correspond directly with them on the matters related to transfer and transmission of shares, demat / remat of the shares. Their address for correspondence is mentioned in sub point 'P' given herein after. In view of the above, the work for transfer of shares in physical form is also being carried out at the above address.

H. Demat Suspense Account / Unclaimed Suspense Account / IEPF Suspense Account

There are no shares lying with demat suspense account or unclaimed suspense account.

I. Distribution of Shareholdings as on 31st March, 2018.

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	10482	89.20	1056526	2.26
501 to 1000	627	5.34	484159	1.04
1001 to 2000	296	2.52	429962	0.92
2001 to 3000	93	0.79	229442	0.49
3001 to 4000	48	0.41	166227	0.36
4001 to 5000	29	0.25	135495	0.29
5001 to 10000	50	0.42	362135	0.77
10001 & Above	126	1.07	43864054	93.87
Total	11,751	100.00	4,67,28,000	100.00

Category wise Shareholders as on 31st March, 2018

Category	No. of Shares	% of Shareholding
Indian Promoters and Group	2,80,79,625	60.0916
Mutual Fund	28,96,749	6.1992
Clearing Members	31,881	0.0682
Other Bodies Corporate	8,59,517	1.8394
Financial Institutions	11,411	0.0244
Foreign Inst. Investor	1,58,971	0.3402
Hindu Undivided Family	91,495	0.1958
Nationalised Banks	330	0.0007
Non Nationalised Banks	1,206	0.0026
Non Resident Indians	2,42,893	0.5198
Non Resident (Non Repatriable)	27,826	0.0595
Public	80,09,417	17.1405
Foreign Portfolio Investors	61,76,225	13.2174
Government Companies	1,40,454	0.3006
Total	4,67,28,000	100.00

J. Dematerialization of Shares and liquidity

The Equity Shares of the Company are traded compulsorily in the dematerialized form by all the investors' w.e.f. 26th March, 2001. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) whereby the shareholders have an option to dematerialize their shares with either of the depository.

The Demat ISIN No. for both NSDL and CDSL for the Company's Equity Shares is INE703B01027.

Status of Dematerialization and Physical of the Company's Equity Shares as on 31st March, 2018 is as under:

Particulars	No. of shares as on 31st March, 2018	% of Total Capital as on 31st March, 2018	No. of Shareholders as on 31st March, 2018
A. National Securities Depository Ltd.	3,66,07,542	78.34	6,330
B. Central Depository Services (India) Ltd.	95,04,752	20.34	4,254
1. Total Dematerialized shares	4,61,12,294	98.68	10,584
2. Physical	6,15,706	1.32	1,167
Total	4,67,28,000	100.00	11,751

K. Corporate Benefits to Shareholders:**a. Dividend declared for the last seven years**

Financial Year	Dividend Declaration Date	Dividend Per Equity Share (in Rs.)	Dividend Rate (%)	Face Value Per Equity Share (₹)
2016-17	12 th September, 2017	5.50	275	2.00
2015-2016 (Interim)	12 th March, 2016	5.50	275	2.00
2014-2015	23 rd September, 2015	5.50	275	2.00
2013-2014	11 th September, 2014	4.50	225	2.00
2012-2013	12 th August, 2013	4.00	200	2.00
2011-2012	26 th September, 2012	3.00	150	2.00
2010-2011	18 th August, 2011	2.50	125	2.00

b. Transfer of Unclaimed amounts to Investor's Education and Protection Fund

All unclaimed dividend amount up to financial year 2009-10 have been transferred to Investors Education & Protection Fund and no claim will lie against the Company or the funds in respect of the unclaimed amount so transferred.

c. Transfer of Unclaimed shares to Investor's Education and Protection Fund

The Company has transferred 1,40,454 Equity Shares which are lying unclaimed with the Company for more than 7 years i.e. F.Y. 2009-10 shall be transferred to Investor Education Protection Fund.

L. ECS/NECS Facilities:

In order to enable usage of electronic payment instruments for distribution of corporate benefits, the shareholders are requested to ensure that their correct bank account particulars are available in the database of depositories, in the case the shares are held in Physical form.

The Company uses National Electronic Clearing Services (NECS), which has replaced "Electronic Clearing Services" (ECS) for remitting dividend to shareholder wherever available. The advantage of NECS over ECS including faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS operates on new and unique bank account number allotted by the banks post implementations of Core Banking Solutions (CBS). Members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS to the Company in case shares are held physically and to the depository participants in respect of shares held by them in dematerialized form.

Shareholders holding shares in physical form, who wish to avail NECS facility, may send their Mandate in the prescribed format to our Share Registrar & Transfer Agent.

M. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

– NIL –

N. Plant Locations :

SS Division	Survey No. 423, Ahmedabad-Mehsana Highway, Village-Indrad, Nr. Chhatral GIDC, Taluka – Kadi, Dist. Mehsana, Pin code – 382 729, Gujarat
CS Division	Plot No. 3306 to 3309, GIDC Estate, Phase IV, Ahmedabad – Mehsana Highway, P.O. Chhatral, Taluka – Kalol, Dist.: Gandhinagar, Pin code–382 729, Gujarat.
Kutch Division	Survey No. 474, Village: Bhimasar, Tal. Anjar, Dist. Kutch, Gujarat

O. Address and Contact details of the Registered Office of the Company :

17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad – 380013.

Phone No.: 079-27415501/02/03/04, Fax No.: 079-27480999, E-mail: jigar.shah@ratnamani.com

Website: www.ratnamani.com.

P. Address of Registrar & Transfer Agent :

Shareholder may correspondence directly to M/s Link Intime India Private Limited at the following address

RTA's REGISTERED OFFICE ADDRESS

M/s. Link Intime (India) Pvt. Ltd.

Unit: Ratnamani Metals & Tubes Ltd.

C-101, 247 Park, L. B. S. Marg,
Vikhroli West, Mumbai – 400 083.

Tel. No. – (022) 49186000

Fax No. – (022) 49186060

E-mail: rnt.helpdesk@linkintime.co.in

RTA's AHMEDABAD BRANCH ADDRESS

M/s. Link Intime (India) Private Limited

Unit: Ratnamani Metals & Tubes Ltd.

5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC – 1),
Besides Gala Business Centre, Nr. St. Xavier's College Corner,
Off C. G. Road, Navrangpura, Ahmedabad – 380 009.

Tel No. 079-26465179

Email : ahmedabad@linkintime.co.in

8. CORPORATE ETHICS

1. Code of conduct for Board Members and Senior Management

The Board has formulated Code of Conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company. A declaration signed by the Managing Director in terms of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that all the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct during the financial year 2017-18 has been received.

2. Code of Conduct for prevention of Insider Trading – Insider Trading Code, 2015

The Securities and Exchange Board of India (hereinafter referred as "SEBI"), has issued the SEBI (Prohibition of Insider Trading) Regulation, 2015. This regulation requires all the Listed Companies to set up an appropriate mechanism and to frame and enforce a policy of internal procedures and conduct so as to curb Insider Trading. The code ensures prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

The said "Code" is also been uploaded on the Company's website at www.ratnamani.com

3. Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

4. Internal Checks

The Company has both external and internal audit systems in place. The Company has adequate Internal Control Systems to ensure that all assets are safeguarded and transactions are authorised, recorded and reported properly. The Internal Controls are periodically reviewed to enhance efficiency and to ensure statutory compliances. The Internal Audit plan is designed in consultation with the Statutory Auditors and Audit Committee. Regular operational and transactional audits are conducted by professionally qualified and technical persons and the results are used for effective control and improvements. Board and the management periodically review the findings and recommendation of Auditors and take corrective actions wherever necessary.

5. Certification by Practicing Company Secretary

As required under Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a Corporate Governance Compliance Certificate from M/s. M. C. Gupta & Co., Company Secretaries in practice, regarding compliance of conditions of Corporate Governance as stipulated and is annexed herewith.

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI

Chairman and Managing Director

DIN: 00006354

Place : Ahmedabad

Date : 22nd May, 2018

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Ratnamani Metals and Tubes Limited

We have examined the compliance of the conditions of Corporate Governance by Ratnamani Metals and Tubes Limited ("the Company"), for the year ended on 31st March 2018, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause and applicable Regulations. It is neither an audit nor an expression of the 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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.C.GUPTA & CO.
Company Secretaries
UCN: S1986GJ003400

MAHESH C. GUPTA
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("C.S.R.") ACTIVITIES

C.S.R. Report for the financial year ended 31st March, 2018
[Pursuant to Section 135 of the Companies Act, 2013]

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	<p>The key philosophy of all CSR initiatives of the Company is guided by the Company's philosophy of giving back to the society as a responsible corporate citizen.</p> <p>The CSR Policy may be accessed on the Company's website at the link: http://www.ratnamani.com/investors_relations.html > Codes and Policies > Policy > CSR Policy</p> <p>The Company has identified following as focus areas of engagement:</p> <ol style="list-style-type: none"> Education: Access to quality education, training and skill enhancement. Environment: Environmental sustainability, ecological balance, conservation of natural resources. Rural Transformation: Provision of drinking water, sewage facilities, sanitation facilities, roads. Health: Affordable solutions for healthcare through improved access and awareness. Animal Welfare: Initiatives for various welfare activities towards environment. Eradicating Hunger: Eradicating of Hunger by providing mid- day meal. The Company would also like to undertake other need-based initiatives in future. <p>A brief account of the projects and programs that have been supported by the Company during the year 2017-18 is mentioned in Section 5 of this report in the Format given by the Ministry of Corporate Affairs.</p>
2.	The Composition of the CSR Committee	<p>The Company has a Corporate Social Responsibility (CSR) Committee comprising of following three directors:</p> <ol style="list-style-type: none"> Shri P. M. Mehta - Chairman Shri P. M. Sanghvi - Member Shri J. M. Sanghvi, - Member
3.	Average net profit of the Company for last three financial years:	₹ 23,237.82 Lacs
4.	Prescribed CSR Expenditure (two percentage of the amount as in item 3 above)	₹ 464.76 Lacs
5.	Details of CSR spend for the financial year	
a.	Total amount spent for the financial year: CSR Activities	The Company has spent ₹ 228.60 Lacs towards Corporate Social Responsibility (CSR).
b.	Amount unspent, if any Reasons for not spending the amount	<p>₹ 236.16 Lacs</p> <p>Our Company, despite evaluation of various proposals in the vicinity of different plant sites, no viable alternatives could be finalised, where proper use of CSR spending could have been identified. The Company proposes to explore other regions also, where CSR could be fruitfully utilised.</p>
c.	Manner in which the amount spent during the financial year	Manner in which the amount is spent and details are provided as given below:

(₹ in Lacs)

Sr. No.	Sector	Project / Activities	Location	Outlay		Cumulative Expenditure up to reporting period	Implementing agency
				Budget	Actual		
1.	Education of children in the Rural Area	Promotion of education by enhancing infrastructural facilities	Becharaji	180.00	180.00	180.00	Shree Mahavir Education Trust
		Promotion of education and welfare for the abandoned Kids	Ahmedabad	0.36	0.36	0.36	Kavita Foundation
		Promotion of Education	Ahmedabad	0.88	0.88	0.88	Different Vendors
		Promotion of Education by enhancing facilities	Indrad	2.00	2.00	2.00	Different Vendors
		Promotion of Education by providing education material	Nenava	0.28	0.28	0.28	Navneet Publications
2.	Ensuring Animal Welfare	Ensuring continuous welfare of Animals	Rajupur Deesa	1.11	1.11	1.11	Shree Rajpur Deesa Panjrapole
		Promotion of Animal Welfare by providing them the cattle feed	Nenava	2.22	2.22	2.22	Different Vendors
3.	Promotion of preventive Healthcare In the Rural Area	Promotion of menstrual hygiene by spreading awareness and distribution of sanitary napkins, distribution of tablets and ayurvedic juices	Nenava	0.55	0.55	0.55	Different Vendors
			Kutch	0.46	0.46	0.46	
4.	Rural Transformation	Construction & sanitary blocks for the under privileged people	Bhimasar, Tapar Indrad	20.01	20.01	20.01	ACIL Navsarjan Rural Development Foundation (Anarde Foundation)
		Rehabilitation of Flood Affected Houses	Nenava	2.24	2.24	2.24	Other Vendors
		Infrastructure Development	Laxmipura, Indrad	3.38	3.38	3.38	Other Vendors
5.	Enhancing Vocational Skills amongst women and children	Stitching and Sewing classes, Mehndi Class and Art & Craft Class & Gruh Udhog classes	Nenava	2.63	2.63	2.63	Different Vendors
6.	Ensuring Environmental sustainability	Plantation & maintenance of plants	Nenava	4.98	4.98	4.98	Different Vendors
		Laying of HDPE pipes for water distribution of forests trees	Kutch	1.85	1.85	1.85	
7.	Conservation of Ecology	Distribution of Sparrow Nests to sensitize the society towards saving of the Birds	Ahmedabad	0.65	0.65	0.65	Different Vendors
8.	Eradicating Hunger	Providing Mid-Day Meal for school students	Ahmedabad	5.00	5.00	5.00	The Akshya Patra Foundation
TOTAL				228.60	228.60	228.60	

Place : Ahmedabad
Date : 22nd May, 2018

PRAVINCHANDRA M. MEHTA
Chairman of CSR Committee
DIN: 00012410

PRAKASH M. SANGHVI
Managing Director
DIN: 00006354

ANNEXURE: E**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31/03/2018

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

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L70109GJ1983PLC006460
ii.	Registration Date	15/09/1983
iii.	Name of the Company	Ratnamani Metals & Tubes Ltd.
iv.	Category/Sub-category of the Company	Public Company Limited by Shares
v.	Address of the Registered office & Contact details	17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad – 380013 Tel. No. 079-27415501 Fax No. 079-27480999 Email id: info@ratnamani.com
vi.	Whether listed company	Yes
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Private Limited Unit: Ratnamani Metals & Tubes Ltd. C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai – 400 083. Tel. No. – (022) 49186000 Fax No. – (022) 49186060 E-mail : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Manufacture of tube and tube fittings of basic iron and steel	24106	95.00%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Ratnamani INC.	N.A	subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)I)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2017)				No. of Shares held at the end of the year (31/03/2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	28090713	-	28090713	60.12	28079625	-	28079625	60.09	-0.03
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	28090713	-	28090713	60.12	28079625	-	28079625	60.09	-0.03
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	28090713	-	28090713	60.12	28079625	-	28079625	60.09	-0.03
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	2004935	-	2004935	4.29	2896749	-	2896749	6.20	1.91
b) Banks/Financial Institutions	12081	-	12081	0.03	12947	-	12947	0.03	0.00
c) Central Govt. (IEPF Shares)	-	-	-	-	140454	-	140454	0.30	0.30
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Inst. Investors	5530992	-	5530992	11.83	158971	-	158971	0.34	-11.49
h) Foreign Venture apital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	1444134	-	1444134	3.09	6176225	-	6176225	13.22	10.13
SUB TOTAL (B)(1):	8992142	-	8992142	19.24	9544317	-	9544317	20.42	1.18

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2017)				No. of Shares held at the end of the year (31/03/2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	882438	-	882438	1.89	859517	-	859517	1.84	-0.05
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs.1 lakhs	2404514	598421	3002935	6.43	2533753	453681	2987434	6.39	-0.04
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs	5224027	-	5224027	11.18	5021983	-	5021983	10.75	-0.43
c) Others (specify)									
i) Non Resident Repatriates	74960	197925	272885	0.58	80868	162025	242893	0.52	-0.06
ii) Non Resident Non Repatriates	132651	-	132651	0.28	27826	-	27826	0.06	-0.22
iii) Clearing Members	36165	-	36165	0.08	31881	-	31881	0.07	-0.01
iv) HUF	94044	-	94044	0.20	91495	-	91495	0.19	-0.01
SUB TOTAL (B)(2):	8848799	796346	9645145	20.64	8647323	615706	9263029	19.82	-0.82
Total Public Shareholding (B)= (B)(1)+(B)(2)	17840941	796346	18637287	39.88	18032669	615706	18648375	39.91	0.03
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	45931654	796346	46728000	100.00	46112294	615706	46728000	100.00	0.00

(ii) Share Holding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% change in share holding 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	Prakash M. Sanghvi	1605339	3.43	0.00	1605339	3.43	0.00	0.00
2	Prakashmal Mishrimal Sanghvi	3821351	8.18	0.00	3821351	8.18	0.00	0.00
3	Prakash Misrimal Sanghvi	0	0.00	0.00	1759695	3.76	0.00	3.76
4	Sanghvi Prakashmal Mishrimal- HUF	422330	0.90	0.00	422330	0.90	0.00	0.00
5	Prakashmal Mishrimal Sanghvi- HUF	85000	0.18	0.00	85000	0.18	0.00	0.00
6	Rashmi Prakashmal Sanghvi	1563750	3.35	0.00	1563750	3.35	0.00	0.00
7	Manoj Prakash Sanghvi	938495	2.00	0.00	938495	2.00	0.00	0.00
8	Manoj Prakash Sanghvi	31000	0.07	0.00	31000	0.07	0.00	0.00
9	Dimple Manoj Sanghvi	212500	0.45	0.00	212500	0.45	0.00	0.00
10	Nilesh Prakash Sanghvi	934800	2.00	0.00	934800	2.00	0.00	0.00
11	Shital Nilesh Sanghvi	25000	0.05	0.00	25000	0.05	0.00	0.00
12	Jigar P. Sanghvi	756320	1.62	0.00	756320	1.62	0.00	0.00
13	Payal Rajendra Doshi	11088	0.02	0.00	0	0.00	0.00	-0.02
14	Jyantilal Mistrimal Sanghvi	3616195	7.74	0.00	3616195	7.74	0.00	0.00
15	Jayantilal Mistrimal Sanghvi	245000	0.52	0.00	245000	0.52	0.00	0.00
16	Jayantilal Misrimal Sanghvi-HUF	416835	0.89	0.00	416835	0.89	0.00	0.00
17	Jayantilal M. Sanghvi - HUF	39830	0.09	0.00	39830	0.09	0.00	0.00
18	Sobhnadevi Jayantilal Sanghvi	456415	0.98	0.00	456415	0.98	0.00	0.00
19	Prashant Jayantilal Sanghvi	776740	1.66	0.00	776740	1.66	0.00	0.00
20	Sarika Prashant Sanghvi	175000	0.37	0.00	175000	0.37	0.00	0.00
21	Sheetal J. Sanghvi	49830	0.11	0.00	49830	0.11	0.00	0.00
22	Shantilal Mishrimal Sanghvi	1586995	3.40	0.00	1586995	3.40	0.00	0.00
23	Shantilal Mishrimal Sanghvi	230000	0.49	0.00	230000	0.49	0.00	0.00
24	Sangvi Santilal Mishrimal- HUF	462165	0.99	0.00	462165	0.99	0.00	0.00
25	Shashi Santilal Sanghvi	296000	0.63	0.00	296000	0.63	0.00	0.00
26	Shashi Shanti Sanghvi	292250	0.63	0.00	292250	0.63	0.00	0.00
27	Shashi Shantilal Sanghvi	250000	0.54	0.00	250000	0.54	0.00	0.00
28	Yashkumar Shantilal Sanghvi	182000	0.39	0.00	182000	0.39	0.00	0.00

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% change in share holding 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	
29	Yash Shanti Sanghvi	130000	0.28	0.00	130000	0.28	0.00	0.00
30	Pavankumar Mishrimaji Sanghvi	150000	0.32	0.00	150000	0.32	0.00	0.00
31	Pavan Kumar M Sanghvi – HUF	131250	0.28	0.00	131250	0.28	0.00	0.00
32	Pavankumar M Sanghvi	103165	0.22	0.00	103165	0.22	0.00	0.00
33	Pawankumar Mishrimaji Sanghvi	86400	0.18	0.00	86400	0.18	0.00	0.00
34	Pavankumar Mishrimaji Sanghvi	318600	0.68	0.00	318600	0.68	0.00	0.00
35	Vimlaben Pavankumar Sanghvi	1402415	3.00	0.00	1402415	3.00	0.00	0.00
36	Vimla Pawan Sanghvi	21665	0.05	0.00	21665	0.05	0.00	0.00
37	Ravi Kumar P Sanghvi	255415	0.55	0.00	255415	0.55	0.00	0.00
38	Ravi Sanghvi	325000	0.70	0.00	325000	0.70	0.00	0.00
39	Chunilal Mishrimaji Sanghvi	1271010	2.72	0.00	1271010	2.72	0.00	0.00
40	Sanghvi Chunilal Mishrimaji – HUF	409000	0.88	0.00	409000	0.88	0.00	0.00
41	Arunaben Chunilal Sanghvi	45205	0.10	0.00	45205	0.10	0.00	0.00
42	Mahendra Chunilal Sanghvi	40000	0.09	0.00	40000	0.09	0.00	0.00
43	Usha Mahendra Sanghvi	259830	0.56	0.00	259830	0.56	0.00	0.00
44	Rishabh M Sanghvi	25000	0.05	0.00	25000	0.05	0.00	0.00
44	Vijay Chunilal Sanghvi	50810	0.11	0.00	50810	0.11	0.00	0.00
45	Chandra Vijay Sanghvi	353125	0.76	0.00	353125	0.76	0.00	0.00
46	Babulal Mishrimaji Sanghvi	139330	0.30	0.00	139330	0.30	0.00	0.00
47	Babulal Mishrimaji Sanghvi – HUF	505495	1.08	0.00	505495	1.08	0.00	0.00
48	Shantaben Babulal Sanghvi	528915	1.13	0.00	528915	1.13	0.00	0.00
49	Jitendra Babulal Sanghvi	247160	0.53	0.00	247160	0.52	0.00	0.00
50	Pinky Jitendra Sanghvi	50000	0.11	0.00	50000	0.10	0.00	0.00
51	Mishrimaji Nathmal Sanghvi	1759695	3.77	0.00	0	0.00	0.00	-3.77
	Total	28090713	60.12	-	28079625	60.09	-	-0.03

(iii) Change in Promoters' Shareholding (specify if there is no change)

Sr. No.	Name	Shareholding			Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)			
		No of Shares at the beginning of the year (01/04/17) / end of the year (31/03/18)	% of total shares of the company	Date of opening/ closing/ transfer	Increase / Decrease in share holding	Reason	No of shares	% of total shares of the company
1	Payal Rajendra Doshi	11088	0.02	01/04/2017	-	-	11088	0.02
			-0.02	05/04/2017	Decrease	Transfer	-11088	0.00
		0	0.00	31/03/2018	-	-	0	0.00
2	Misrimal N. Sanghvi	1759695	3.77	01/04/2017	-	-	1759695	3.77
		-	3.77	31/07/2017	Decrease	Transmission	-1759695	0.00
		0	0.00	31/03/2018	-	-	0	0.00
3	Prakash Misrimal Sanghvi	0	0.00	01/04/2017	-	-	0	0.00
		-	3.77	31/07/2017	Increase	Transmission	1759695	3.77
		1759695	3.77	31/03/2018			1759695	3.77

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Name	Shareholding			Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)			
		No of Shares at the beginning of the year (01/04/17) / end of the year (31/03/18)	% of total shares of the company	Date of opening/ closing/ transfer	Increase / Decrease in share holding	Reason	No of shares	% of total shares of the company
1	NALANDA INDIA FUND LIMITED	3906664	8.36	01/04/2017	-	-	3906664	8.36
			-0.37	05/01/2018	-173800	Transfer	3732864	7.99
			-0.26	12/01/2018	-120200	Transfer	3612664	7.73
			-0.02	19/01/2018	- 8509	Transfer	3604155	7.71
		3604155	7.71	31/03/2018	-	-	3604155	7.71
2	CHUNILAL FOJAJI SANGHVI	1535780	3.29	01/04/2017	-	-	1535780	3.29
		1535780	3.29	31/03/2018	-	-	1535780	3.29
3	DIVYA VAGHELA	1500000	3.21	01/04/2017	-	-	1500000	3.21
		1500000	3.21	31/03/2018	-	-	1500000	3.21
4	NALANDA INDIA EQUITY FUND LIMITED	1461644	3.13	01/04/2017	-	-	1461644	3.13
		1461644	3.13	31/03/2018	-	-	1461644	3.13
5	L&T MUTUAL FUND TRUSTEE LIMITED- L&T EMERGING BUSINESSES FUND	493908	1.06	01/04/2017	-	-	493908	1.06
			0.01	07/04/2017	5000	Transfer	498908	1.07
			0.02	26/05/2017	10000	Transfer	508908	1.09
			0.01	02/06/2017	5000	Transfer	513908	1.10
			0.01	30/06/2017	6000	Transfer	519908	1.11
			0.00	18/08/2017	2754	Transfer	522662	1.12
			0.00	25/08/2017	27	Transfer	522689	1.12
			0.27	10/11/2017	127985	Transfer	650674	1.39
			0.10	17/11/2017	48418	Transfer	699092	1.50
			0.09	24/11/2017	42089	Transfer	741181	1.59
			0.01	01/12/2017	3599	Transfer	744780	1.59
			1.88	08/12/2017	87700	Transfer	832480	1.78
			0.00	15/12/2017	329	Transfer	832809	1.78

Sr. No.	Name	Shareholding			Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)			
		No of Shares at the beginning of the year (01/04/17) / end of the year (31/03/18)	% of total shares of the company	Date of opening/ closing/ transfer	Increase / Decrease in share holding	Reason	No of shares	% of total shares of the company
			0.00	22/12/2017	1210	Transfer	834019	1.78
			0.00	29/12/2017	1330	Transfer	835349	1.79
			0.25	05/01/2018	115000	Transfer	950349	2.03
			0.11	12/01/2018	51992	Transfer	1002341	2.14
			0.12	19/01/2018	56449	Transfer	1058790	2.26
			0.03	26/01/2018	13058	Transfer	1071848	2.29
			0.00	02/02/2018	700	Transfer	1072548	2.29
			0.00	09/02/2018	202	Transfer	1072750	2.29
			0.02	23/02/2018	10150	Transfer	1082900	2.32
			0.02	02/03/2018	11633	Transfer	1094533	2.34
			0.02	09/03/2018	9146	Transfer	1103679	2.36
			0.09	16/03/2018	42919	Transfer	1146598	2.45
			0.02	23/03/2018	10880	Transfer	1157478	2.48
		1157478	2.48	31/03/2018	35120	Transfer	1192598	2.55
5	DSP BLACKROCK SMALL CAP FUND	961239	2.06	01/04/2017	128651	Transfer	1089890	2.33
			0.23	16/06/2017	108299	Transfer	1198189	2.56
			-0.04	14/07/2017	-20000	Transfer	1178189	2.52
			-0.02	21/07/2017	-8651	Transfer	1169538	2.50
			0.06	28/07/2017	28651	Transfer	1198189	2.56
			-0.12	12/01/2018	-56392	Transfer	1141797	2.44
		1141797	2.44	31/03/2018	-	-	1141797	2.44
6	SAIF INDIA V FII HOLDINGS LIMITED	781486	1.67	01/04/2017	-	-	781486	1.67
		781486	1.67	31/03/2018	-	-	781486	1.67
7	KAMALA MUKESH SANGHVI	425500	0.91	01/04/2017	-	-	425500	0.91
		425500	0.91	31/03/2018	-	-	425500	0.91
8	KUSHAL CHAMPALAL BHANSALI	393500	0.84	01/04/2017	-	-	393500	0.84
			-0.12	09/03/2018	-55500	Transfer	338000	0.72
		338000	0.72	31/03/2018	-	-	338000	0.72
9	BNP PARIBAS MID CAP FUND	207564	0.44	01/04/2017	-	-	207564	0.44
			0.02	02/06/2017	9350	Transfer	216914	0.46
			0.01	16/06/2017	3000	Transfer	219914	0.47
			-0.01	23/06/2017	-7000	Transfer	212914	0.45
			0.00	11/08/2017	2500	Transfer	215414	0.46
			0.01	18/08/2017	4200	Transfer	219614	0.47
			0.00	25/08/2017	1394	Transfer	221008	0.47
			0.00	01/09/2017	2500	Transfer	223508	0.48
			0.02	29/09/2017	10000	Transfer	233508	0.50
			0.01	24/11/2017	5337	Transfer	238845	0.51
			0.00	01/12/2017	2500	Transfer	241345	0.52
		241345	0.52	31/03/2018	-	-	241345	0.52
10	SILVER STALLION LIMITED	370983	0.79	01/04/2016	-	-	370983	0.79
			-0.07	01/09/2017	-35000	Transfer	335983	0.72
			-0.16	08/09/2017	-75000	Transfer	260983	0.56
			-0.13	15/09/2017	-60000	Transfer	200983	0.43
			-0.06	22/09/2017	-30000	Transfer	170983	0.36
			-0.03	06/10/2017	-15000	Transfer	155983	0.33
		155983	0.33	31/03/2017	-	-	155983	0.33

(v) Shareholding of Directors & KMP

Sr. No.	Shareholding of Directors & KMP	Shareholding					Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	Date	Increase / Decrease in share holding	Reason	No of shares	% of total shares of the company
1	Prakash M Sanghvi, Managing Director	3821351	8.18	01/04/2017	-	-	3821351	8.18
		3821351	8.18	31/03/2018	-	-	3821351	8.18
2	Prakash M Sanghvi, Managing Director	1605339	3.44	01/04/2017	-	-	1605339	3.44
		1605339	3.44	31/03/2018	-	-	1605339	3.44
3	Prakash M Sanghvi, Managing Director	0	0.00	01/04/2017	-	-	0	0.00
			3.77	31/07/2017	1759695	Transmission	1759695	3.77
		1759695	3.77	31/03/2018	-	-	1759695	3.77
4	Jayantilal Mistrimal Sanghvi, Whole Time Director	3616195	7.74	01/04/2017	-	-	3616195	7.74
		3616195	7.74	31/03/2018	-	-	3616195	7.74
5	Jayantilal Mistrimal Sanghvi, Whole Time Director	245000	0.52	01/04/2017	-	-	245000	0.52
		245000	0.52	31/03/2018	-	-	245000	0.52
6	Shantilal Mishrimal Sanghvi, Whole Time Director	230000	0.49	01/04/2017	-	-	230000	0.49
		230000	0.49	31/03/2018	-	-	230000	0.49
7	Shantilal Mishrimal Sanghvi, Whole Time Director	1586995	3.40	01/04/2017	-	-	1586995	3.40
		1586995	3.40	31/03/2018	-	-	1586995	3.40
8	Divyabhash Chandrakant Anjaria, Independent Director	21665	0.05	01/04/2017	-	-	21665	0.05
		21665	0.05	31/03/2018	-	-	21665	0.05
9	Divyabhash Chandrakant Anjaria, Independent Director	800	0.00	01/04/2017	-	-	800	0.00
			0.00	09/04/2017	-300	Transfer	500	0.00
			-0.00	16/06/2017	-100	Transfer	400	0.00
		400	0.00	31/03/2018	-	-	400	0.00
10	Vinodkumar Mahavirprasad Agrawal, Independent Director	25000	0.05	01/04/2017	-	-	25000	0.05
		25000	0.05	31/03/2018	-	-	25000	0.05
11	Vinodkumar Mahavirprasad Agrawal, Independent Director	2500	0.01	01/04/2017	-	-	2500	0.01
		2500	0.01	31/03/2018	-	-	2500	0.01
12	Pravinchandra Maganlal Mehta, Independent Director	8500	0.02	01/04/2017	-	-	8500	0.02
			-0.00	07/04/2017	-500	Transfer	8000	0.02
			-0.00	17/11/2017	-500	Transfer	7500	0.02
			-0.00	15/12/2017	-121	Transfer	7379	0.01
			-0.00	22/12/2017	-379	Transfer	7000	0.01
		7000	0.01	31/03/2018	-	-	7000	0.01
13	Nidhi G. Gadhecha, Independent Director	0	0.00	01/04/2017	-	-	0	0.00
		0	0.00	31/03/2018	-	-	0	0.00
14	Vimal Katta, Chief Financial Officer	25000	0.05	01/04/2017	-	-	25000	0.05
		25000	0.05	31/03/2018	-	-	25000	0.05
15	Jigar Shah, Company Secretary & Compliance Officer	0	0.00	01/04/2017	-	-	0	0.00
		0	0.00	28/12/2017	144	Transfer	144	0.00
				17/01/2018	-144	Transfer	0	0.00
		0	0.00	31/03/2018	-	-	0	0.00

(VI) Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2017				
1) Principal Amount	-	-	-	-
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	-	-	-	-
Change in Indebtedness during the financial year				
+ Addition	-	20,000.00	-	20,000.00
- Reduction	-	-15,000.00	-	-15,000.00
Net change	-	5,000.00	-	5,000.00
Indebtedness at the end of the financial year 31-03-2018				
1) Principal Amount	-	-	-	-
2) Interest due but not paid*	-	20.26	-	20.26
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	0.00	20.26	-	20.26

* Debited by bank on 1st April, 2018.

(VII) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole Time Director

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD			Total Amount
		Shri Prakash M. Sanghvi	Shri Jayanti M. Sanghvi	Shri Shanti M. Sanghvi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	149.00	104.80	88.70	342.50
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	1.18	0.00	1.18
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	850.00	510.00	340.00	1,700.00
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit others (specify)	-	-	-	-
5.	Others, please specify				
	(a) Company's contribution to the Super Annuation Scheme	0.00	10.49	8.87	19.36
	(b) Company's contribution to the Provident Fund	17.88	12.57	10.64	41.09
	Total (A)	1,016.88	639.04	448.21	2,104.13
	Ceiling as per the Act (Being 10% of Net Profit calculated under the provision of Section 198 of the Companies Act, 2013)	1,161.42	696.86	464.57	2,322.85

B. Remuneration to other Directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri D. C. Anjaria	Shri P. M. Mehta	Dr. V. M. Agrawal	Smt. Nidhi G. Gadhecha	
1.	Independent Directors					
	(a) Fee for attending board/ committee meetings	2.21	1.70	1.70	1.36	6.97
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	2.21	1.70	1.70	1.36	6.97
2.	Other Non-Executive Directors					
	(a) Fee for attending board/ committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	2.21	1.70	1.70	1.36	6.97

C. Remuneration to other directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
		Shri Jigar Shah, Company Secretary	Shri Vimal Katta, Chief Financial Officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	12.24	77.24	89.48
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.41	0.41
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit others, specify	-	-	-
5.	Others, please specify			
	(a) Company's contribution to the Super Annuation Scheme	0.70	4.03	4.73
	(b) Company's contribution to the Provident Fund	0.84	4.83	5.67
	Total	13.78	86.51	100.29

(VIII) Penalties/Punishment/compounding of offences

Types	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any
A) Company			NONE		
Penalty					
Punishment					
Compounding					
B) Directors			NONE		
Penalty					
Punishment					
Compounding					
C) Other officers in Defaults			NONE		
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI

Chairman and Managing Director

DIN: 00006354

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: F**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ in Lacs)

Sr. No.	Name of Directors / KMPs and Designation	Remuneration for F.Y. 2017-18	% increase / (decrease) in Remuneration in the F.Y.2017-18	Ratio of remuneration of each Director/KMP to median remuneration of employees
1.	Shri Prakash M. Sanghvi, Chairman & Managing Director	1016.88	15.71	466.71
2.	Shri Jayanti M. Sanghvi, Whole Time Director	639.04	15.60	293.29
3.	Shri Shanti M. Sanghvi, Whole Time Director	448.21	15.53	205.71
4.	Shri Divyabhash C. Anjaria, Independent Director	2.21	8.33	1.01
5.	Dr. Vinodkumar. M. Agrawal, Independent Director	1.70	-16.67	0.78
6.	Shri Pravinchandra M. Mehta, Independent Director	1.70	25.00	0.78
7.	Smt. Nidhi G. Gadhecha, Independent Director	1.36	25.00	0.62
8.	Shri Vimal Katta, Chief Financial Officer	86.51	10.08	39.70
9.	Shri Jigar Shah, Company Secretary & Legal Head	13.78	4.63	6.32

Note – 1:

Directors' remuneration details mentioned in serial no.4 to 7 are only for sitting fees paid towards Board Meetings and Committee Meetings.

2	Increase in the median remuneration of employees	12.49 %
3	No. of permanent employees on the rolls of Company as on March 31, 2018	2,048
4	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.	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 12.48% whereas there is increase in the managerial remuneration for the same financial year was 9.09%. The increase has to be based on economic factor mainly on account of inflation, performance rise, availability of the required talent, the status of the relevant industry etc.
5	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note - 2:

Sub-clause (v), (vi), (vii), (ix), (x) and (xi) of Rule 5(1): Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30th June, 2016.

Note - 3:

Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the registered office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at jigar.shah@ratnamani.com.

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI

Chairman and Managing Director

DIN: 00006354

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: "G"**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st March, 2018**

[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,

Ratnamani Metals and Tubes Limited,

17, Rajmugat Society, Naranpura Char Rasta,

Ankur Road, Naranpura, Ahmedabad – 380 013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ratnamani Metals and Tubes Limited CIN: (L70109GJ1983PLC006460) (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 Ratnamani Metals and 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, 2018 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 "the company", having its Registered Office at "17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad – 380 013 for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit Period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

(vi) The Company has complied with the following specifically other applicable laws to the Company:

- (a) Indian Boilers Act, 1923.
- (b) Static and Mobile Pressure Vessels Rules, 1999.
- (c) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.
- (d) Hazardous Wastes (Management and Handling) Rules, 1989.
- (e) The Water (Prevention and Control of Pollution) Act, 1974
- (f) The Water (Prevention and Control of Pollution) Cess Act, 1977.
- (g) Air (Prevention and Control of Pollution) Act, 1981.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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. There was no change in the composition of the Board of Directors during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent 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.

There were no dissenting views on any matter.

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 has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For, M. C. GUPTA & CO.
Company Secretaries
UCN: S1986GJ003400

MAHESH C. GUPTA
Proprietor

FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 22nd May, 2018

Note:

This Report is to be read with Our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure: "A"

To,
The Members,
Ratnamani Metals and Tubes Limited,
17, Rajmugat Society, Naranpura Char Rasta,
Ankur Road, Naranpura, Ahmedabad – 380 013

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, M. C. GUPTA & CO.
Company Secretaries
UCN: S1986GJ003400

MAHESH C. GUPTA
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 22nd May, 2018

ANNEXURE: H

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 transaction under third proviso thereto.

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

Sr. No.	Particulars	Details
(a)	Name(s) of the related party & nature of relationship	Nil
(b)	Nature of contracts/arrangements/transaction	(All Contracts/ arrangements /
(c)	Duration of the contracts/arrangements/transaction	transactions are at arm's length basis)
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions'	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Sr. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	Nil
(b)	Nature of contracts/arrangements/transaction	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Date of approval by the Board	
(f)	Amount paid as advances, if any	

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI

Chairman and Managing Director

DIN: 00006354

Place : Ahmedabad

Date : 22nd May, 2018

Independent Auditor's Report

To the Members of
Ratnamani Metals & Tubes Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Ratnamani Metals & Tubes Limited the ("Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter mentioned as "Standalone Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) (Amendment) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income,

Independent Auditor's Report

the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – refer note 26 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No.: 101974

Place: Ahmedabad

Date: May 22, 2018

Annexure-1 to Independent Auditors' Report

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory, except in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of steel tubes and pipes, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure-1 to Independent Auditors' Report

(c) According to the records of the Company, the dues outstanding of income-tax, service tax, value added tax, duty of customs, sales tax, excise duty and employee state insurance scheme on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	₹ (in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	7.57	April 2012 to March 2013	Commissioner (Appeals)
		3,244.04	March 2005 to November 2007	Central Excise and Service Tax Appellate Tribunal
		7.39	March 2013 to February 2015	Commissioner (Appeals)
		15.04	March 2015 to December 2015	Commissioner (Appeals)
		43.40	January 2016 to December 2016	Commissioner (Appeals)
The Customs Act, 1962	Custom Duty and Interest	43.21	September 2017 to October 2017	Foreign Trade Development officer (DGFT)
Employee State Insurance Scheme	Tax	360.10	November 1991 to March 2017	Hon'ble High Court of Gujarat
Income Tax Act, 1961	Income Tax	0.60	Assessment year 2012-13	Income Tax Appellate Tribunal
Central Sales Tax Act, 1965	Tax	69.10	April 2008 to March 2011	Appellate Tribunal
		250.67	April 2011 to March 2013	Dy. Commissioner (Appeals)
Gujarat Value Added Tax, 2003	Tax and Interest	204.43	April 2010 to March 2012	Dy. Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

Annexure-1 to Independent Auditors' Report

- | | |
|--|---|
| <p>(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.</p> <p>(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the</p> | <p>Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not been commented upon.</p> <p>(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.</p> <p>(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.</p> |
|--|---|

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No.: 101974

Place: Ahmedabad

Date: May 22, 2018

Annexure-2 to Independent Auditors' Report

Annexure 2 referred to in Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of Ratnamani Metals & Tubes Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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

Annexure-2 to Independent Auditors' Report

over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 controls over financial reporting with

reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No.: 101974

Place: Ahmedabad

Date: May 22, 2018

Balance Sheet

as at 31st March, 2018

(₹ in Lacs)

Particulars	Notes	As at 31-03-2018	As at 31-03-2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	44,451.70	44,748.44
Capital work-in-progress	3	4,690.61	3,830.93
Intangible assets	3	86.09	62.40
Financial assets	4		
(i) Investments		6.08	6.19
(ii) Loans		17.60	9.26
(iii) Other financial assets		79.36	397.70
Other non-current assets	8	1,334.79	1,191.49
Total non-current assets		50,666.23	50,246.41
Current assets			
Inventories	5	57,399.60	33,909.83
Financial assets			
(i) Investments	4	0.06	7,383.08
(ii) Trade receivables	6	55,818.46	42,521.43
(iii) Cash and cash equivalents	7	456.51	1,469.09
(iv) Loans	4	26.01	21.60
(v) Other financial assets	4	417.42	270.96
Other current assets	8	9,857.56	5,473.63
Total current assets		123,975.62	91,049.62
Total Assets		174,641.85	141,296.03
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	934.56	934.56
Other equity	10		
(i) Securities premium		2,279.06	2,279.06
(ii) Retained earnings		54,080.78	41,973.23
(iii) Other reserves		73,507.31	73,507.31
Total other equity		129,867.15	117,759.60
Total equity		130,801.71	118,694.16
LIABILITIES			
Non-current liabilities			
Provisions	16	-	81.03
Deferred tax liabilities (net)	12	4,289.10	4,725.63
Total non-current liabilities		4,289.10	4,806.66
Current liabilities			
Financial liabilities			
(i) Borrowings	11	7,891.38	-
(ii) Trade payables	13	19,277.07	11,632.30
(iii) Other financial liabilities	14	671.32	786.45
Other current liabilities	15	9,876.75	4,128.02
Provisions	16	364.99	568.18
Current tax liabilities (net)	17	1,469.53	680.26
Total current liabilities		39,551.04	17,795.21
Total liabilities		43,840.14	22,601.87
Total Equity and Liabilities		174,641.85	141,296.03
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

Chairman and Managing Director

S. M. SANGHVI

Whole Time Director

DR. V. M. AGRAWAL

Director

NIDHI GADHECHA

Director

VIMAL KATTA

Chief Financial Officer

J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Statement of Profit and Loss

for the Year Ended on 31st March, 2018

(₹ in Lacs)

Particulars	Notes	Year Ended 31-03-2018	Year Ended 31-03-2017
Income			
Revenue from operations	18	178,980.60	147,605.20
Other income	19	3,242.29	1,400.24
Total income		182,222.89	149,005.44
Expenses			
Cost of raw materials and components consumed	20	123,546.20	91,307.38
Purchase of stock-in-trade		-	584.10
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(9,476.66)	(3,841.84)
Excise duty on sales		2,305.14	6,439.21
Employee benefits expenses	22	10,917.51	9,781.69
Finance costs	23	986.06	606.84
Depreciation and amortisation expenses	3	6,061.19	5,969.85
Other expenses	24	25,095.38	17,612.63
Total expenses		159,434.82	128,459.86
Profit before tax		22,788.07	20,545.58
Tax expense			
Current tax	12	8,042.79	6,371.83
Short / (Excess) provision for current tax of earlier years		3.00	(152.19)
Deferred tax	12	(436.53)	(103.97)
Total tax expense		7,609.26	6,115.67
Profit for the year		15,178.81	14,429.91
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain / (loss) on defined benefit plans		33.62	(223.11)
Income tax effect	12	(11.64)	77.21
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		21.98	(145.90)
Other comprehensive income for the year, net of tax		21.98	(145.90)
Total comprehensive income for the year, net of tax		15,200.79	14,284.01
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2017: ₹ 2/-)]	30		
Basic & Diluted		32.48	30.88
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

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Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Statement of Change in Equity

for the year ended 31st March, 2018

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. in Lacs	₹ in Lacs
As at 1st April, 2016	467.28	934.56
Changes during the year	-	-
As at 31st March, 2017	467.28	934.56
Changes during the year	-	-
As at 31st March, 2018	467.28	934.56

B. Other Equity (refer note-10)

(₹ in Lacs)

Particulars	Reserves & Surplus					
	Securities Premium	Capital Reserve	Amalgamation Reserve	General Reserve	Retained Earnings	Total Other Equity
As at 1st April, 2016	2,279.06	490.04	392.11	72,625.16	27,689.22	103,475.59
Profit for the year	-	-	-	-	14,429.91	14,429.91
Other Comprehensive Income (Re-measurement loss on defined benefit plans, net of tax)	-	-	-	-	(145.90)	(145.90)
Total Comprehensive Income	-	-	-	-	14,284.01	14,284.01
As at 31st March, 2017	2,279.06	490.04	392.11	72,625.16	41,973.23	117,759.60
Profit for the year	-	-	-	-	15,178.81	15,178.81
Other Comprehensive Income (Re-measurement gain on defined benefit plans, net of tax)	-	-	-	-	21.98	21.98
Total Comprehensive Income	-	-	-	-	15,200.79	15,200.79
Cash Dividend (refer note - 10)	-	-	-	-	(2,570.04)	(2,570.04)
Dividend Distribution Tax (refer note -10)	-	-	-	-	(523.20)	(523.20)
As at 31st March, 2018	2,279.06	490.04	392.11	72,625.16	54,080.78	129,867.15

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

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P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	22,788.07	20,545.58
Adjustments to reconcile profit before tax to net cash flows:		
(Gain)/Loss on Sale/Discard of property, plant and equipment & Capital Work-in-Progress (net)	(17.15)	13.78
Depreciation of property, plant and equipment	6,030.51	5,937.60
Amortisation of intangible assets	30.68	32.25
Dividend income	(294.28)	(167.92)
Interest income and fair value changes in financial instruments	(1,350.43)	(1,118.50)
Unrealised foreign exchange loss	2.82	123.83
Provision for doubtful debts	163.48	108.75
Excess provision & sundry balances written back	(224.02)	(0.40)
Interest expense	658.81	414.57
Operating Profit before working capital changes	27,788.49	25,889.54
Working capital adjustments:		
(Increase) in trade receivables	(13,460.51)	(3,635.73)
(Increase) in inventories	(23,489.77)	(4,436.86)
(Increase)/Decrease in current loans	(4.41)	2,947.03
(Increase) in non current loans	(8.34)	(0.70)
(Increase)/Decrease in other current financial assets	(197.43)	86.15
Decrease/(Increase) in other non-current financial assets	318.45	(1.31)
(Increase)/Decrease in other current non-financial assets	(4,383.93)	769.49
Increase/(Decrease) in trade payables	7,868.79	(543.12)
Increase/(Decrease) in other current liabilities	5,748.71	(297.51)
Increase/(Decrease) in other current financial liabilities	12.61	(29.00)
(Decrease) in other non current asset	-	(20.00)
(Decrease)/Increase in provisions	(262.24)	199.28
Cash generated from operations	(69.58)	20,927.26
Direct taxes paid (net)	(7,221.41)	(7,408.10)
Net Cash (used in)/generated from operating activities	(7,290.99)	13,519.16
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and intangible assets (including CWIP and capital advances)	(7,077.18)	(6,611.70)
Proceeds from sale of fixed assets	118.03	55.16
Sales/(Purchase) of short term investments (net)	7,504.46	(4,744.32)
Dividend income	294.28	167.92
Interest income	1,279.96	883.24
Net Cash (used in)/generated from investing activities	2,119.55	(10,249.70)

Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(902.52)
Short term borrowings (net)	7,891.38	(1,430.90)
Dividend paid	(2,570.04)	-
Dividend distribution tax on dividend	(523.20)	-
Interest paid	(636.46)	(427.59)
Net Cash (used in)/generated from financing activities	4,161.68	(2,761.01)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(1,009.76)	508.45
Effect of exchange difference on Cash and Cash equivalents held in foreign currency	(2.82)	(123.83)
Cash and Cash Equivalents at the beginning of the year	1,469.09	1,084.47
Cash and Cash Equivalents at the end of the year (refer note-7)	456.51	1,469.09

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".
- As per the recent amendment by MCA in "Ind AS 7 Statement of Cash Flows : Disclosure initiative" effective from 1st April, 2017, disclosure of change in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below :

(₹ in Lacs)

Particulars	As at 1st April, 2017	Net Cash Flows	As at 31st March, 2018
Short term borrowings	-	7,891.38	7,891.38
Interest accrued	-	22.35	22.35
	-	7,913.73	7,913.73

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

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J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

1 CORPORATE INFORMATION:

Ratnamani Metals & Tubes Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at 17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of stainless steel pipes and tubes and carbon steel pipes at Kutch, Indrad and Chhatral in the state of Gujarat. The Company caters to both domestic and international markets.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 22nd May 2018.

2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments) and derivative financial instruments.

The financial statements are presented in ₹ and all values are rounded to the nearest Lacs (₹ 00,000), except where otherwise indicated.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve month as its operating cycle.

b FOREIGN CURRENCIES:

The Company's financial statements are presented in ₹, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

c FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:-

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities

which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions (refer note 32 and 33)
- Quantitative disclosures of fair value measurement hierarchy (refer note 32.2)
- Financial instruments (including those carried at amortised cost) (refer note 32.2)

d PROPERTY, PLANT AND EQUIPMENT (PPE):

PPE and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the property, plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following fixed assets:

- (i) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- (ii) Furnace and X-ray machines are depreciated at an annual rate of 20% to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

e INTANGIBLE ASSETS:

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets in the form of softwares are amortised on a straight-line basis over six years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

g BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee : A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A leased asset is depreciated over the useful life of the asset. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

i FINANCIAL INSTRUMENTS:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Profit and Loss (FVTPL)-
- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with

the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of Profit and Loss.

Financial liabilities at fair value through Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at

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for the year ended 31st March, 2018

amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through Statement of Profit and Loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs

when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

j INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Weighted Average method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

k REVENUE:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its

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for the year ended 31st March, 2018

own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

ii) Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

iii) Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iv) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

v) Revenue from windmills is recognised on unit generation basis, in accordance with the terms of power purchase agreements.

I RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund and superannuation fund are defined contribution plans. The Company has no obligation, other than the contributions payable to provident fund and superannuation fund. The Company recognises contribution payable to these funds as an expense, when an employee renders the related service.

In respect of gratuity liability, the Company operates defined benefit plan wherein contributions are made to a separately administered fund. The costs of

providing benefits under this plan are determined on the basis of actuarial valuation at each reporting date being carried out using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs; and
- Net interest expense or income

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Statement of Profit and Loss. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gain and loss is recognise in full in the period in which they occur in the Statement of Profit and Loss.

m TAXES:

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit and Loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against the deductible temporary differences, except:

- When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the

Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

n PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

o DERIVATIVE FINANCIAL INSTRUMENTS:

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through the Statement of Profit and Loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are classified in the Statement of Profit and Loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance cost.

p EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit 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, if any.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

q CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r CASH DIVIDEND:

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 25.

(b) Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 32 and 33 for further disclosures.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Note No.-3 Property, Plant and Equipment, Intangible Assets and Capital work-in-progress

(a) Property, Plant and Equipment

(₹ in Lacs)

Particulars	Leasehold land	Freehold land	Buildings	Plant & Machinery	Furniture & fixture	Vehicles	Office equipment	Total
Cost								
As at 1st April, 2016	27.60	466.92	9,367.61	37,846.33	425.64	1,289.86	267.38	49,691.34
Additions	-	1,102.26	383.27	4,506.68	1.48	195.35	40.23	6,229.27
Deductions / Capitalisation	-	-	-	27.18	-	84.28	15.78	127.24
Foreign Exchange differences	-	-	-	21.00	-	-	-	21.00
As at 31st March, 2017	27.60	1,569.18	9,750.88	42,346.83	427.12	1,400.93	291.83	55,814.37
Additions	-	1,429.96	694.46	3,255.00	4.57	394.04	56.62	5,834.65
Deductions / Capitalisation	-	-	-	121.93	-	98.98	0.30	221.21
Foreign Exchange differences	-	-	-	-	-	-	-	-
As at 31st March, 2018	27.60	2,999.14	10,445.34	45,479.90	431.69	1,695.99	348.15	61,427.81
Depreciation/Amortization and Impairment								
As at 1st April, 2016	0.35	-	186.61	4,786.25	83.11	60.88	69.43	5,186.63
Depreciation/Amortization for the year	0.35	-	534.06	5,056.23	81.16	203.16	62.64	5,937.60
Deductions	-	-	-	0.02	-	55.06	3.22	58.30
As at 31st March, 2017	0.70	-	720.67	9,842.46	164.27	208.98	128.85	11,065.93
Depreciation/Amortization for the year	0.35	-	470.63	5,210.47	71.16	222.84	55.06	6,030.51
Deductions	-	-	-	47.61	-	72.60	0.12	120.33
As at 31st March, 2018	1.05	-	1,191.30	15,005.32	235.43	359.22	183.79	16,976.11
Net Block								
As at 31st March, 2018	26.55	2,999.14	9,254.04	30,474.58	196.26	1,336.77	164.36	44,451.70
As at 31st March, 2017	26.90	1,569.18	9,030.21	32,504.37	262.85	1,191.95	162.98	44,748.44

Buildings includes ₹ 47.80 Lacs (31st March, 2017 ₹ 47.80 Lacs) representing cost of unquoted fully paid shares held in co-operative housing societies.

Cost of the Property, Plant and Equipment includes carrying value recognised as deemed cost as of 1st April 2015, measured as per previous GAAP and cost of subsequent additions.

(b) Intangible Assets

(₹ in Lacs)

Particulars	Software
Cost	
As at 1st April, 2016	167.08
Additions	-
As at 31st March, 2017	167.08
Additions	54.37
As at 31st March, 2018	221.45
Amortisation and Impairment	
As at 1st April, 2016	72.43
Amortisation for the year	32.25
As at 31st March, 2017	104.68
Amortisation for the year	30.68
As at 31st March, 2018	135.36
Net Block	
As at 31st March, 2018	86.09
As at 31st March, 2017	62.40

Cost of the Intangible assets includes carrying value recognised as deemed cost as of 1st April 2015, measured as per previous GAAP and cost of subsequent additions.

(c) Capital work-in-progress

Particulars	(₹ in Lacs)
As at 31st March, 2018	4,690.61
As at 31st March, 2017	3,830.93

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
4	FINANCIAL ASSETS		
	Investments		
	Trade Investments (at Cost)		
	Investment in unquoted Equity Shares of Subsidiary Company	6.08	6.08
	10,000 (31st March, 2017-10,000) Equity Shares of USD 1 each fully paid-up in Ratnamani Inc, USA		
	Non-Trade Investments		
	Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
	Nil (31st March, 2017-2,12,26,803.084) Units of ₹ 10 each in SBI Short Term Debt Fund-Direct Plan- Growth	-	4,082.17
	Nil (31st March, 2017-49,378.787) L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan	-	500.15
	Nil (31st March, 2017-279,168.56) SBI-Premier Liquid Fund Daily Dividend Option	-	2,800.76
	Other unquoted investments in Government Securities (At Amortised cost)		
	National saving certificates	0.06	0.11
		6.14	7,389.27
	Current	0.06	7,383.08
	Non-Current	6.08	6.19
		6.14	7,389.27
	Aggregate book value of Unquoted Investments	6.14	6.19
	Aggregate book value of Quoted Mutual Funds	-	7,383.08
		6.14	7,389.27
	Loans (Unsecured, Considered Good)		
	Loans to employees	43.61	30.86
		43.61	30.86
	Current	26.01	21.60
	Non-Current	17.60	9.26
		43.61	30.86
	Other Financial Assets		
	Interest accrued	12.79	63.76
	Security deposits	454.21	573.19
	Derivative receivables	4.51	-
	Others	25.27	31.71
		496.78	668.66
	Current	417.42	270.96
	Non-Current	79.36	397.70
		496.78	668.66

Loans are non-derivative financial assets which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

Fair value disclosures for financial assets (refer note-32.1)

Fair value hierarchy disclosures for investment (refer note-32.2)

For Financial instruments risk management objectives and policies (refer note-33)

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
5	INVENTORIES		
	Raw materials		
	Raw materials and components	26,233.05	13,553.77
	Raw materials in transit	6,363.74	5,671.98
	Work-in-progress	21,097.83	12,252.31
	Finished goods		
	Finished goods	1,186.33	389.54
	Finished goods in transit	60.60	222.00
	Scrap	1.87	6.12
	Stores and spares	2,456.18	1,814.11
		57,399.60	33,909.83

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
6	TRADE RECEIVABLES	
	Trade receivables	
	Secured, considered good	24,895.91
	Unsecured, considered good	30,817.38
	Unsecured, considered doubtful	213.73
	Receivables from related parties, unsecured, considered good (refer note-29)	105.17
	Total	56,032.19
	Less: Allowance for doubtful debts	213.73
		55,818.46

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Reconciliation of Allowance for doubtful debts

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Balance at the beginning of the year	147.57	93.55
Add: Allowance for the year	163.48	108.75
(Less): Utilised against write off (net of recovery)	(97.32)	(54.73)
Balance at the end of the year	213.73	147.57

For terms and conditions relating to related party receivables, refer note-29.

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
7	CASH AND CASH EQUIVALENTS	
	Balances with Banks	
	In Current accounts	326.95
	Unpaid dividend accounts	110.77
	Cash on hand	18.79
		456.51
		1,469.09

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
8	OTHER ASSETS		
	Capital advances	1,033.45	855.04
	Investment in silver	0.84	0.84
	Prepaid expense	335.36	172.85
	Advance receivable in cash or kind		
	Advance for material	4,727.81	1,034.07
	Excise / GST claim receivables	1,248.82	783.95
	DEPB / Export licenses	531.97	272.89
	Balances with government authorities	2,610.75	2,668.27
	Export benefits receivable	44.05	36.80
	Wind-Mill surplus receivable	92.13	120.81
	Others	286.67	403.99
		9,542.20	5,320.78
		10,911.85	6,349.51
	Non-Current tax assets (net)	280.50	315.61
		11,192.35	6,665.12
	Current	9,857.56	5,473.63
	Non-Current	1,334.79	1,191.49
		11,192.35	6,665.12

		EQUITY SHARES	
		No. in Lacs	₹ in Lacs
9	SHARE CAPITAL		
	Authorised Share Capital		
	As at 1st April, 2016	750.00	1,500.00
	Increase/(decrease) during the year	-	-
	As at 31st March, 2017	750.00	1,500.00
	Increase/(decrease) during the year	-	-
	As at 31st March, 2018	750.00	1,500.00

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian ₹. The dividend proposed by the Board of Directors is subject to approval of the Shareholders at the ensuing Annual General Meeting.

For the current financial year 2017-18, the Company has proposed dividend of ₹ 6.00 per share to equity shareholder (declared in the previous financial year dividend of ₹ 5.50 per share)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by Share holders.

Issued Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid

	No. in Lacs	₹ in Lacs
As at 1st April, 2016	467.28	934.56
Increase/(decrease) during the year	-	-
As at 31st March, 2017	467.28	934.56
Increase/(decrease) during the year	-	-
As at 31st March, 2018	467.28	934.56

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% held	No. of Shares	% held
Prakash M. Sanghvi	7,186,385	15.38%	5,426,690	11.61%
Nalanda India Fund Limited	3,604,155	7.71%	3,906,664	8.36%
Jayanti M. Sanghvi	3,861,195	8.26%	3,861,195	8.26%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(₹ in Lacs)

Note No.	Particulars	Amount
10	OTHER EQUITY	
	Securities Premium	
	As at 1st April, 2016	2,279.06
	Increase/(decrease) during the year	-
	As at 31st March, 2017	2,279.06
	Increase/(decrease) during the year	-
	As at 31st March, 2018	2,279.06
	Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.	
	OTHER RESERVES	
	Capital Reserve	
	As at 1st April, 2016	490.04
	Increase/(decrease) during the year	-
	As at 31st March, 2017	490.04
	Increase/(decrease) during the year	-
	As at 31st March, 2018	490.04
	Capital reserve is mainly used to record the reserves created on receipt of state/central subsidies and amounts forfeited towards the forfeited of Equity warrants issued. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.	
	Amalgamation Reserve	
	As at 1st April, 2016	392.11
	Increase/(decrease) during the year	-
	As at 31st March, 2017	392.11
	Increase/(decrease) during the year	-
	As at 31st March, 2018	392.11
	Amalgamation reserve is used to record the reserves created on amalgamation of Ratnamani Engineering Ltd. and Ratnamani Fine Tubes Pvt. Ltd. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.	
	General Reserve	
	As at 1st April, 2016	72,625.16
	Increase/(decrease) during the year	-
	As at 31st March, 2017	72,625.16
	Increase/(decrease) during the year	-
	As at 31st March, 2018	72,625.16
	Retained Earnings	
	As at 1st April, 2016	27,689.22
	Profit for the year	14,429.91
	Other Comprehensive Income (Re-measurement loss on defined benefit plans, net of tax)	(145.90)
	As at 31st March, 2017	41,973.23

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Profit for the year	15,178.81
Other Comprehensive Income (Re-measurement gain on defined benefit plans, net of tax)	21.98
Cash Dividend	(2,570.04)
Dividend Distribution Tax	(523.20)
As at 31st March, 2018	54,080.78
Total Other Equity	129,867.15

Distribution made and proposed

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
Cash dividend on equity shares declared and paid		
Final dividend for the year ended 31st March, 2017: ₹ 5.50 per share (for the year ended 31st March, 2016: ₹ Nil per share)	2,570.04	-
Dividend distribution tax	523.20	-
	3,093.24	-
Proposed dividend on equity shares		
Final dividend for the year ended 31st March, 2018: ₹ 6.00 per share (for the year ended 31st March, 2017: ₹ 5.50 per share)	2,803.68	2,570.04
Dividend distribution tax	570.76	523.20
	3,374.44	3,093.24
	6,467.68	3,093.24

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon).

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
11	BORROWINGS		
	Short term Borrowings		
	Cash credit/export packing credit facilities (secured)(refer note-a)	2,891.38	-
	Short term loan from banks (unsecured) (refer note-b)	5,000.00	-
		7,891.38	-
	Total Borrowings	7,891.38	-
	Current	7,891.38	-
	Non-Current	-	-
		7,891.38	-

a Short term Borrowings - Cash credit/export packing credit facilities are secured by - i) Hypothecation of Inventories, Books Debts, all other movables; ii) Second charge on Fixed Assets of the Company except, a) 8 wind mills along with related equipments/ machineries situated at Moti Sindholi, Kutch, Gujarat and, b) movable assets in respect of 3Layer PE Coating Line and Offline Welding & Finishing Lines for HSAW plant situated at Survey No.474,village Bhimasar, Tal. Anjar, Dist. Kutch; iii) Personal guarantees of Sh. Prakash M. Sanghvi, Chairman and Managing Director, Sh. Jayanti M. Sanghvi, Whole-time Director and Sh. Shanti M. Sanghvi, Whole-time Director, of the Company; iv) Joint equitable mortgage of all immovable properties held as free-hold and leasehold lands of the Company, except: a) Leasehold land related to 8 wind mills situated at Moti Sindholi, Kutch. b) Lease hold land situated at 3306-09, GIDC Chhatral, Taluka Kalol.

b Short term loans from banks are secured by personal guarantee of Sh. Prakash. M. Sanghvi, Chairman and Managing Director of the Company.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
12	INCOME TAX		
	The major component of income tax expense for the years ended 31st March, 2018 and 31st March, 2017 are :		
	Statement of Profit and Loss		
	Current tax		
	Current income tax	8,042.79	6,371.83
	Tax in respect of earlier years	3.00	(152.19)
	Deferred tax		
	Deferred tax expense/(benefit)	(436.53)	(103.97)
	Income tax expense reported in the Statement of Profit and Loss	7,609.26	6,115.67
	Other comprehensive income (OCI)		
	Tax related to items recognised in OCI during the year		
	Re-measurement gain / (loss) on defined benefit plans	(11.64)	77.21
	Tax credited to OCI	(11.64)	77.21

a) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31st March, 2018 and 31st March, 2017:

(₹ in Lacs)

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
Accounting profit before tax	22,788.07	20,545.58
Enacted income tax rate in India applicable to the Company	34.608%	34.608%
Tax using the Company's domestic tax rate	7,886.50	7,110.41
Tax effects of :		
Exempt income	(101.84)	(58.11)
Deduction under chapter VIA	(483.66)	(619.52)
Income tax allowances	-	(215.98)
Non-deductible expenses	163.10	86.05
Short/(Excess) provision for current tax of earlier years	3.00	(152.19)
Others	142.16	(34.99)
At the effective income tax rate of 31st March, 2018: 33.39% (31st March, 2017: 29.77%)	7,609.26	6,115.67

(b) Deferred Tax

(₹ in Lacs)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31-03-2018	As at 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017
Liability on accelerated depreciation for tax purpose	4,516.90	4,822.02	(305.12)	(70.88)
Asset on expenses allowed in year of payment	(223.69)	(92.42)	(131.27)	(2.05)
Other adjustments	(4.11)	(3.97)	(0.14)	(31.04)
	4,289.10	4,725.63	(436.53)	(103.97)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31st March, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid is charged to equity.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
13	TRADE PAYABLES		
	Dues to micro, small and medium enterprises	-	-
	Dues to others	19,277.07	11,632.30
		19,277.07	11,632.30

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

(₹ in Lacs)

		As at 31-03-2018	As at 31-03-2017
14	OTHER CURRENT FINANCIAL LIABILITIES		
	Interest accrued but not due	22.35	-
	Payables in respect of capital goods	538.20	688.29
	Unpaid dividend#	110.77	97.44
	Security deposits from employees	-	0.72
		671.32	786.45

not due for credit to "Investors Education and Protection Fund"
Fair value disclosures for financial liabilities (refer note-32.1)

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
15 OTHER CURRENT LIABILITIES		
Interest free advances from customers	8,676.47	3,121.64
Statutory dues payable	1,044.88	880.43
Other miscellaneous liabilities	155.40	125.95
	9,876.75	4,128.02

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
16	PROVISIONS	
Provision for employee benefits		
Compensated absences	240.02	290.57
Gratuity (refer note-25)	124.97	358.64
	364.99	649.21
Current	364.99	568.18
Non-Current	-	81.03
	364.99	649.21

(₹ in Lacs)

		As at 31-03-2018	As at 31-03-2017
17	CURRENT TAX LIABILITIES		
	Provision for Income tax (net of advance tax)	1,469.53	680.26
		1,469.53	680.26

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
18	REVENUE FROM OPERATIONS		
	Sale of Products (including excise duty)		
	Finished goods	170,087.58	141,123.87
	Traded goods	-	592.32
	Total Sale of products	170,087.58	141,716.19
	Sale of Power generated from Wind Mills	555.44	828.94
	Sale of Services		
	Sale of services	2,934.60	1,144.38
	Other operating revenue		
	Scrap sales	3,751.07	3,063.37
	Others	1,651.91	852.32
		5,402.98	3,915.69
	Total Revenue from operations	178,980.60	147,605.20

(₹ in Lacs)

	Year ended 31-03-2018	Year ended 31-03-2017
19 OTHER INCOME		
Interest income on		
Inter corporate deposits	15.53	456.22
Bank deposits	2.79	0.42
Others	1,210.67	444.93
Other non-operating income		
Fair value gain on financial instruments at fair value through profit and loss	121.44	216.93
Profit on Sale/Discard/Reduction in value of fixed assets (net)	17.15	-
Bad debts recovered	3.61	-
Sundry balances written back	224.02	0.40
Dividend income on current investments	294.28	167.92
Foreign exchange fluctuation (net)	1,310.64	12.59
Miscellaneous income	42.16	100.83
	3,242.29	1,400.24

(₹ in Lacs)

	Year ended 31-03-2018	Year ended 31-03-2017
20 COST OF RAW MATERIAL CONSUMED AND COMPONENTS CONSUMED		
Opening inventory	19,225.75	18,675.39
Add: Purchases	136,917.24	91,857.74
	156,142.99	110,533.13
Less: Closing inventory	32,596.79	19,225.75
Cost of raw materials and components consumed	123,546.20	91,307.38

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
21	(INCREASE)/DECREASE IN INVENTORY		
	Inventories at the end of the year		
	Work in process	21,097.83	12,252.31
	Finished goods	1,246.93	611.54
	Scrap	1.87	6.12
		22,346.63	12,869.97
	Inventories at the beginning of the year		
	Work in process	12,252.31	7,531.77
	Finished goods	611.54	1,493.14
	Scrap	6.12	3.22
		12,869.97	9,028.13
	(Increase)/Decrease In Inventory		
	Work in process	(8,845.52)	(4,720.54)
	Finished goods	(635.39)	881.60
	Scrap	4.25	(2.90)
		(9,476.66)	(3,841.84)

(₹ in Lacs)

		Year ended 31-03-2018	Year ended 31-03-2017
22	EMPLOYEE BENEFITS		
	Salaries, wages and bonus	9,385.09	8,417.60
	Contribution to provident and other funds	626.08	587.81
	Gratuity expense (refer note-25)	160.22	136.64
	Staff welfare expenses	746.12	639.64
		10,917.51	9,781.69

(₹ in Lacs)

		Year ended 31-03-2018	Year ended 31-03-2017
23	FINANCE COST		
	Interest on debts and borrowings	517.74	370.24
	Interest on income tax	40.00	42.59
	Interest others	101.07	1.74
	Bank charges	327.25	192.27
		986.06	606.84

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
24	OTHER EXPENSE		
	Consumption of stores & spares	5,009.14	4,065.74
	Freight & transport charges	7,372.66	4,058.70
	Power & fuel	3,432.19	2,192.45
	Labour & processing charges	4,540.73	3,652.65
	Repairs and maintenance:		
	Plant and machineries	730.32	563.52
	Buildings	228.43	69.53
	Others	79.25	98.14
	Quality control	66.60	121.02
	Legal & consultancy charges	337.19	279.16
	Travelling & conveyance expenses	432.65	457.87
	Insurance	309.73	316.20
	Rent	117.68	134.22
	Rates & taxes	280.06	126.08
	Auditors' remuneration (refer note-a)	34.75	45.83
	Advertisement & other expenses	82.74	85.92
	Sales commission	648.71	169.81
	Loss on Sale/Discard/Reduction in value of fixed assets (net)	-	13.78
	Increase/(Decrease) in excise duty on inventory	(43.96)	(95.66)
	Provision for doubtful debts	163.48	108.75
	Bad debts written off	97.32	54.73
	Provision for doubtful debts utilised	(97.32)	(54.73)
	Charity and donations (refer note-b)	202.66	207.55
	Directors' sitting fees	6.97	7.14
	Miscellaneous expenses (refer note-b)	1,063.40	934.23
		25,095.38	17,612.63
	(a) Payments to Joint Auditors		
	As Auditors:		
	Audit Fee	23.00	30.50
	Limited Review	7.65	7.95
	Other Services	3.00	4.50
		33.65	42.95
	In other capacity:		
	Taxation matters	-	1.80
	Certification	0.35	0.73
	Reimbursement of expenses	0.75	0.35
		1.10	2.88
		34.75	45.83
	(b) Other expenses include ₹ 228.60 Lacs (P.Y. ₹ 230.59 Lacs), spent towards various activities relating to Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013, details of which are as under:		
	Details of Corporate Social Responsibility:		
	1. Gross amount required to be spent during the year	464.76	468.46
	2. Amount spent during the year:		
	i) Construction/acquisition of any asset	180.00	210.23
	ii) On purposes other than (i) above	48.60	20.36
		228.60	230.59
	3. Amount unspent during the year:	236.16	237.87
		236.16	237.87
		464.76	468.46

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

25 EMPLOYEE BENEFITS EXPENSE

A. Defined contribution plans:

Amount of ₹ 626.08 Lacs (31st March, 2017: ₹ 587.81 Lacs) is recognised as expenses and included in note no. 22 "Employee benefits expense".

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Provident fund	278.44	268.33
Contributory pension scheme	190.63	177.49
Superannuation fund	156.42	141.62
Gujarat Labour welfare fund	0.59	0.37
	626.08	587.81

B. Defined benefit plans:

The Company operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. The Company's gratuity plan is funded with Life Insurance Corporation of India.

31st March, 2018 : Changes in defined benefit obligation and plan assets

(₹ in Lacs)

	1st April, 2017	Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (note 22)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31st March, 2018
Gratuity											
Defined benefit obligation	2,175.32	133.90	159.66	293.56	(76.73)	-	(105.14)	82.34	(22.80)	-	2,369.35
Fair value of plan assets	1,816.68	-	133.34	133.34	(76.73)	(10.82)	-	-	(10.82)	360.27	2,244.38
Benefit liability	358.64	133.90	26.32	160.22	-	10.82	(105.14)	13.95	(33.62)	(360.27)	124.97
Total benefit liability	358.64	133.90	26.32	160.22	-	10.82	(105.14)	13.95	(33.62)	(360.27)	124.97

31st March, 2017 : Changes in defined benefit obligation and plan assets

(₹ in Lacs)

	1st April, 2016	Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (note 22)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31st March, 2017
Gratuity											
Defined benefit obligation	1,744.63	130.85	146.20	277.05	(46.12)	-	185.85	13.91	199.76	-	2,175.32
Fair value of plan assets	1,675.49	-	140.41	140.41	(46.12)	23.35	-	-	23.35	70.25	1,816.68
Benefit liability	69.14	130.85	5.79	136.64	-	(23.35)	185.85	13.91	223.11	(70.25)	358.64
Total benefit liability	69.14	130.85	5.79	136.64	-	(23.35)	185.85	13.91	223.11	(70.25)	358.64

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	As at 31-03-2018 (₹ in Lacs)	As at 31-03-2017 (₹ in Lacs)
Insurance funds	2,244.38	1,816.68
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
Discount rate	7.85%	7.34%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	7.85%	7.34%
Employee turnover rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity	(increase) / decrease in defined benefit obligation (Impact)		
Particulars	Sensitivity level	As at 31-03-2018 (₹ in Lacs)	As at 31-03-2017 (₹ in Lacs)
Discount rate	1% increase	(182.26)	(179.28)
	1% decrease	215.05	212.83
Salary increase	1% increase	212.58	209.30
	1% decrease	(183.59)	(179.80)
Employee turnover	1% increase	(3.77)	(12.20)
	1% decrease	4.14	13.79

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	As at 31-03-2018 (₹ in Lacs)	As at 31-03-2017 (₹ in Lacs)
Within the next 12 months (next annual reporting period)	561.23	509.14
Between 2 and 5 years	353.28	276.22
Beyond 5 years	936.80	823.83
Total expected payments	1,851.31	1,609.19

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31-03-2018 (Years)	As at 31-03-2017 (Years)
Gratuity	17	17

The followings are the expected contributions to planned assets for the next year:

Particulars	As at 31-03-2018 (₹ in Lacs)	As at 31-03-2017 (₹ in Lacs)
Gratuity	284.73	277.61

26 COMMITMENTS AND CONTINGENCIES

a. Contingent Liabilities

(₹ in Lacs)

Sr. No.	Particulars	As at 31-03-2018	As at 31-03-2017
a)	Bill discounted and not matured	9,838.43	-
b)	ESI liability (excluding interest leviable, if any)	360.10	322.31
c)	Disputed statutory claims/levies for which the Company has preferred appeal in respect of (excluding interest leviable, if any):		
	- Income tax	0.60	278.70
	- Excise/Custom duty (note-i)	3,360.65	3,282.17

note-(i) Excise/Custom duty demand comprise various demands from the Excise/Custom Authorities for payment of ₹ 3,360.65 Lacs (31st March, 2017 ₹ 3,282.17 Lacs). The Company has filed appeals against these demands. The Company has been advised by its legal counsel that the demand is likely to be deleted and accordingly no provision for liability has been recognized in the financial statements.

b) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 15,860.42 Lacs (31st March, 2017 ₹ 1,004.31 Lacs).

- 27 The Company has incurred premium expenses of ₹ 138.41 Lacs (31st March, 2017 ₹ 140.21 Lacs) on Key Man Insurance Policy and Term Plan Policy of Chairman and Managing Director and Whole-Time Directors, which is included in insurance expenses.

28 SEGMENT INFORMATION

Operating Segments:

The Company is engaged in the business of Steel Tubes and Pipes and generation of power by Windmills. In accordance with the requirements of Ind AS 108 "Operating Segments" Company has identified these two segments as reportable segments.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Summary of segment information is given below:

Primary Reportable Segment (Business Segment)

(₹ in Lacs)

Particulars	Steel Tubes and Pipes	Windmill	Adjustments & Elimination	Total
Revenue				
External sales	178,425.16	555.44	-	178,980.60
	(146,776.26)	(828.94)	-	(147,605.20)
Inter segment revenue	-	1,518.20	(1,518.20)	-
	-	(1,530.02)	(1,530.02)	-
Total revenue	178,425.16	2,073.64	(1,518.20)	178,980.60
	(146,776.26)	(2,358.96)	(1,530.02)	(147,605.20)
Results				
Segment results before interest and finance costs	21,268.04	861.38	-	22,129.42
	(18,669.63)	(1,196.37)	-	(19,866.00)
Interest & dividend income & fair value gain on financial instruments at fair value through profit and loss			-	1,644.71
			-	(1,286.42)
Interest and finance costs			-	986.06
			-	(606.84)
Net profit before tax			-	22,788.07
			-	(20,545.58)
Other information				
Segment assets	165,689.24	8,541.57	-	174,230.81
	(124,108.69)	(9,320.42)	-	(133,429.11)
Unallocable assets			-	411.04
			-	(7,866.92)
Total assets	165,689.24	8,541.57	-	174,641.85
	(124,108.69)	(9,320.42)	-	(141,296.03)
Segment liabilities	29,990.90	66.11	-	30,057.01
	(17,006.71)	(91.83)	-	(17,098.54)
Unallocated liabilities and provisions			-	13,783.13
			-	(5,503.33)
Total liabilities	29,990.90	66.11	-	43,840.14
	(17,006.71)	(91.83)	-	(22,601.87)
Segment depreciation	5,313.90	747.29	-	6,061.19
	(5,222.56)	(747.29)	-	(5,969.85)
Capital expenditure:				
Tangible fixed assets	5,834.65	-	-	5,834.65
	(6,229.27)	-	-	(6,229.27)
Intangible assets	54.37	-	-	54.37
	-	-	-	-

Note: Figures in brackets represent previous year's amount.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Secondary Reportable Segment (Geographical by Customers)

(₹ in Lacs)

Particulars	In India	Outside India	Total
Segment Revenue			
2017-18	133,270.20	45,710.40	178,980.60
2016-17	(121,444.96)	(26,160.24)	(147,605.20)
Segment Assets			
As at 31st March, 2018	161,326.05	13,315.80	174,641.85
As at 31st March, 2017	(137,223.60)	(4,072.43)	(141,296.03)

Revenue from one customer amounted to ₹ 27,931.98 Lacs (31st March, 2017: ₹ 48,947.90 Lacs), arising from sales in the Steel Tubes and Pipes segment.

29 RELATED PARTY DISCLOSURES

As required by Indian Accounting Standard - 24 "Related Parties Disclosures", the disclosure of transactions with related parties are given below :

A Relationships

(a) Wholly Owned Foreign Subsidiary Company

Ratnamani INC, USA

(b) Key Management Personnel

Mr. Prakash M. Sanghvi	–	Chairman and Managing Director
Mr. Jayanti M. Sanghvi	–	Wholetime Director
Mr. Shanti M. Sanghvi	–	Wholetime Director
Mr. Divyabhash C. Anjaria	–	Director
Mr. Pravinchandra M. Mehta	–	Director
Dr. Vinod M. Agrawal	–	Director
Smt. Nidhi G. Gadhecha	–	Director

(c) Relatives of key management personnel

Mr. Manoj P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
 Mr. Prashant J. Sanghvi (Son of Mr. Jayanti M. Sanghvi)
 Mr. Nilesh P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
 Mr. Jigar P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
 Mr. Yash S. Sanghvi (Son of Mr. Shanti M. Sanghvi)

(d) Enterprises owned or significantly influenced by key management personnel or their relatives

Ratnamani Food Products Private Ltd.
 Ratnamani Marketing Private Ltd.
 Ratnamani Healthcare Private Ltd.
 Comfit Valves Private Limited.
 Ratnamani Techno Casts Private Limited.
 Shree Mahavir Education Trust.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

B The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in Lacs)

Particulars	2017-18	2016-17
Rent Expense		
Ratnamani Food Products Private Ltd.	17.42	17.42
Ratnamani Marketing Private Ltd.	20.03	20.81
Reimbursement of Expense (Received)		
Ratnamani Healthcare Private Ltd.	-	0.66
Other Purchases		
Ratnamani Healthcare Private Ltd.	3.59	-
Sales		
Ratnamani INC., USA	-	623.33
Donation		
Shree Mahavir Education Trust.	180.00	185.00
Remuneration		
Mr. Prakash M. Sanghvi	166.88	153.83
Mr. Jayanti M. Sanghvi	129.04	117.79
Mr. Shanti M. Sanghvi	108.21	97.97
Mr. Manoj P. Sanghvi	72.88	80.12
Mr. Prashant J. Sanghvi	62.02	68.44
Mr. Nilesh P. Sanghvi	52.14	57.57
Mr. Jigar P. Sanghvi	25.57	27.44
Mr. Yash S. Sanghvi	6.34	1.69
Commission		
Mr. Prakash M. Sanghvi	850.00	725.00
Mr. Jayanti M. Sanghvi	510.00	435.00
Mr. Shanti M. Sanghvi	340.00	290.00
Sitting Fees		
Mr. Divyabhash C. Anjaria – Director	2.21	2.04
Mr. Pravinchandra M. Mehta – Director	1.70	1.36
Dr. Vinod M. Agrawal – Director	1.70	2.04
Smt. Nidhi G. Gadhecha – Director	1.36	1.70
Outstanding as at year end	As at 31-03-2018	As at 31-03-2017
Receivable		
Comfit Valves Private Limited.	4.88	4.61
Ratnamani Techno Casts Pvt. Ltd.	100.29	69.71
Payable		
Mr. Prakash M. Sanghvi	857.19	733.81
Mr. Jayanti M. Sanghvi	514.94	439.39
Mr. Shanti M. Sanghvi	344.36	294.50
Mr. Manoj P. Sanghvi	0.38	1.97
Mr. Prashant J. Sanghvi	1.48	1.70
Mr. Nilesh P. Sanghvi	0.79	1.46
Mr. Jigar P. Sanghvi	0.86	0.93
Mr. Yash S. Sanghvi	0.05	0.20

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on an actuarial basis for the Company as a whole.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2018 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017: ₹ Nil). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

30 Earnings Per Share (EPS):

(₹ in Lacs)

Particulars		2017-18	2016-17
Profit for the year	(₹ in Lacs)	15,178.81	14,429.91
Weighted average no. of shares for EPS computation			
for basic and diluted EPS (Nos)	(Lacs)	467.28	467.28
Earnings per share (basic and diluted)	(₹)	32.48	30.88
Nominal value of shares	(₹)	2.00	2.00

31 Derivative instruments at year end:

Sr. No.	Particulars	31-03-2018 Amount (₹ In Lacs)	31-03-2018 Foreign Currency (In Lacs)	31-03-2017 Amount (₹ In Lacs)	31-03-2017 Foreign Currency (In Lacs)	Purpose
1	Forward contracts (USD purchase)	328.02	USD 5.00	-	-	Hedge of highly probable foreign currency purchase

32 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

32.1 Category-wise Classification of Financial Instruments:

(₹ in Lacs)

Particulars	Refer Note	As at 31-03-2018		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in unquoted equity shares of subsidiary company	4	-	6.08	6.08
Investments in unquoted Government securities	4	-	0.06	0.06
Trade receivables	6	-	55,818.46	55,818.46
Cash and cash equivalents	7	-	456.51	456.51
Loans	4	-	43.61	43.61
Other financial assets	4	-	496.78	496.78
Total		-	56,821.50	56,821.50
Financial liabilities				
Borrowings	11	-	7,891.38	7,891.38
Trade payables	13	-	19,277.07	19,277.07
Other financial liabilities	14	-	671.32	671.32
Total		-	27,839.77	27,839.77

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Refer Note	As at 31-03-2017		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in unquoted equity shares of subsidiary company	4	-	6.08	6.08
Investments in unquoted Government securities	4	-	0.11	0.11
Investments in quoted mutual funds	4	7,383.08	-	7,383.08
Trade receivables	6	-	42,521.43	42,521.43
Cash and cash equivalents	7	-	1,469.09	1,469.09
Loans	4	-	30.86	30.86
Other financial assets	4	-	668.66	668.66
Total		7,383.08	44,696.23	52,079.31
Financial liabilities				
Trade payables	13	-	11,632.30	11,632.30
Other financial liabilities	14	-	786.45	786.45
Total		-	12,418.75	12,418.75

32.2 Category-wise Classification of Financial Instruments:

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(₹ in Lacs)

Particulars	As at 31-03-2018		As at 31-03-2017	
	Significant observable Inputs (Level 1)	Total	Significant observable Inputs (Level 1)	Total
Financial Assets				
Investments in quoted mutual funds (measured at FVTPL) (refer note-4)	-	-	7,383.08	7,383.08

(b) Financial Instruments measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, loans given, trade and other receivables and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by the corporate finance under policies approved by the Board of Directors. The corporate finance identifies, evaluates and hedges financial risks in close co-operation with the Company's Business Heads. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

The corporate finance function reports quarterly to the Company's Audit Committee, that monitors risks and policies framed to mitigate risk exposures.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying assets/liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's unhedged foreign currency denominated monetary items are as follows: (₹ in Lacs)

Currency	Liabilities		Assets	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
USD	7,281.55	4,339.64	13,109.05	9,449.06
EURO	650.52	1,537.80	576.44	330.21
GBP	2.78	-	302.30	-

The above table represents total unhedged exposure of the Company towards foreign exchange denominated assets and liabilities. The details of exposures hedged using forward exchange contracts are given as a part of note-31.

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Lacs)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
USD sensitivity				
RUPEES / USD – increase by 1%	58.15	51.04	58.15	51.04
RUPEES / USD – decrease by 1%	(58.15)	(51.04)	(58.15)	(51.04)

iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. As at 31st March 2018, the carrying value of such instruments recognised at FVTPL amounts to ₹ Nil Lacs (31st March 2017 ₹ 7,383.08 Lacs). The details of such investments in mutual funds is given in note-4.

The management expects that the exposure to risk of changes in market rates of these mutual funds is minimal.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Concentrations of Credit risk form part of Credit risk

During the year ended 31st March, 2018, sales to a customer approximated ₹ 27,931.98 Lacs or 15.61 % of net revenue and during the year ended 31st March 2017, sales to such customer approximated ₹ 48,947.90 Lacs or 35.72 % of net revenue. Accounts receivable from such customer approximated ₹ 18,040.55 Lacs at 31st March, 2018 and ₹ 20,789.94 Lacs at 31st March, 2017. A loss of this customer could adversely affect the operating results or cash flows of the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including, debt and overdraft / credit facilities from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On Demand	Less than 1 year	1 to 5 years	More than 5 year	Total
Year ended 31st March, 2018					
Interest bearing borrowings	2,891.38	5,000.00	-	-	7,891.38
Trade payables	-	19,277.07	-	-	19,277.07
Other financial liabilities	110.77	560.55	-	-	671.32
Year ended 31st March, 2017					
Interest bearing borrowings	-	-	-	-	-
Trade payables	-	11,632.30	-	-	11,632.30
Other financial liabilities	97.44	689.01	-	-	786.45

(₹ in Lacs)

34 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

As at 31st March, 2018, the Company meets its capital requirement through equity and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements.

In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business, based on its long term financial plans.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

35 DISCLOSURE OF SIGNIFICANT INTEREST IN SUBSIDIARIES AS PER PARAGRAPH 17 OF IND AS 27

(₹ in Lacs)

Name of Entity	Relationship	Place of Business	Ownership %
Ratnamani INC	Subsidiary	United States of America	100%

Note : Method of accounting investment in subsidiary is at cost.

Notes to Standalone Financial Statements

for the year ended 31st March, 2018

36 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

Standards issued but not yet effective

AS 115-Revenue from Contracts with Customers:

Ind AS 115 was notified on 28th March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1st April, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

37 EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 22nd May, 2018, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

38 Figures of previous year's have been regrouped, wherever considered necessary to make them comparable to current year's figures.

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

Chairman and Managing Director

S. M. SANGHVI

Whole Time Director

DR. V. M. AGRAWAL

Director

NIDHI GADHECHA

Director

VIMAL KATTA

Chief Financial Officer

J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Independent Auditor's Report

To the Members of
Ratnamani Metals & Tubes Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Ratnamani Metals & Tubes Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter mentioned as "Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) (Amendment) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 Holding Company's preparation of the consolidated Ind AS 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the

consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other Matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 26 to the consolidated Ind AS financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018.

Other Matter

We did not jointly audit the Ind AS financial statements and other financial information, in respect of its subsidiary whose Ind AS financial statements include total assets of ₹ 90.46lacs and net assets of ₹ 88.23 lacs as at March 31, 2018, and total revenues of ₹ Nil and net cash inflows of ₹ 18.45 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No.: 101974

Place: Ahmedabad

Date: May 22, 2018

Annexure-1 to Independent Auditors' Report

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2018

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

In conjunction with our audit of the consolidated Ind AS financial statements of Ratnamani Metals & Tubes Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Ratnamani Metals & Tubes Limited (hereinafter referred to as the "Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS

financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No.: 101974

Place: Ahmedabad

Date: May 22, 2018

Opinion

In our opinion, the Holding Company has maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Consolidated Balance Sheet

as at 31st March, 2018

(₹ in Lacs)

Particulars	Notes	As at 31-03-2018	As at 31-03-2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	44,451.70	44,748.44
Capital work-in-progress	3	4,690.61	3,830.93
Intangible assets	3	86.09	62.40
Financial assets	4		
(i) Investments		-	0.11
(ii) Loans		17.60	9.26
(iii) Other financial assets		79.36	397.70
Other non-current assets	8	1,334.79	1,191.49
Total non-current assets		50,660.15	50,240.33
Current assets			
Inventories	5	57,399.60	33,909.83
Financial assets			
(i) Investments	4	0.06	7,383.08
(ii) Trade receivables	6	55,818.63	42,543.04
(iii) Cash and cash equivalents	7	546.80	1,540.93
(iv) Loans	4	26.01	21.60
(v) Other financial assets	4	417.42	270.96
Other current assets	8	9,857.56	5,473.63
Total current assets		124,066.08	91,143.07
Total Assets		174,726.23	141,383.40
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	934.56	934.56
Other equity	10		
(i) Securities premium		2,279.06	2,279.06
(ii) Retained earnings		54,156.53	42,050.88
(iii) Other reserves		73,513.71	73,513.71
Total other equity		129,949.30	117,843.65
Total equity		130,883.86	118,778.21
LIABILITIES			
Non-current liabilities			
Provisions	16	-	81.03
Deferred tax liabilities (net)	12	4,289.10	4,725.63
Total non-current liabilities		4,289.10	4,806.66
Current liabilities			
Financial liabilities			
(i) Borrowings	11	7,891.38	-
(ii) Trade payables	13	19,278.97	11,635.59
(iii) Other financial liabilities	14	671.32	786.45
Other current liabilities	15	9,877.08	4,128.05
Provisions	16	364.99	568.18
Current tax liabilities (net)	17	1,469.53	680.26
Total current liabilities		39,553.27	17,798.53
Total liabilities		43,842.37	22,605.19
Total Equity and Liabilities		174,726.23	141,383.40

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

Chairman and Managing Director

S. M. SANGHVI

Whole Time Director

DR. V. M. AGRAWAL

Director

NIDHI GADHECHA

Director

VIMAL KATTA

Chief Financial Officer

J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Consolidated Statement of Profit and Loss

for the Year Ended on 31st March, 2018

(₹ in Lacs)

Particulars	Notes	Year Ended 31-03-2018	Year Ended 31-03-2017
Income			
Revenue from operations	18	178,980.60	147,622.51
Other income	19	3,242.29	1,405.96
Total income		182,222.89	149,028.47
Expenses			
Cost of raw materials and components consumed	20	123,546.20	91,307.38
Purchase of stock-in-trade		-	584.10
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(9,476.66)	(3,841.84)
Excise duty on sales		2,305.14	6,439.21
Employee benefits expenses	22	10,917.51	9,824.31
Finance costs	23	986.06	607.21
Depreciation and amortisation expenses	3	6,061.19	5,969.85
Other expenses	24	25,097.30	17,616.65
Total expenses		159,436.74	128,506.87
Profit before tax		22,786.15	20,521.60
Tax expense			
Current tax	12	8,042.79	6,371.83
Short/(Excess) provision for current tax of earlier years		3.00	(152.19)
Deferred tax	12	(436.53)	(103.97)
Total tax expense		7,609.26	6,115.67
Profit for the year		15,176.89	14,405.93
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plans		33.62	(223.11)
Income tax effect	12	(11.64)	77.21
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		21.98	(145.90)
Other comprehensive income for the year, net of tax		21.98	(145.90)
Total comprehensive income for the year, net of tax		15,198.87	14,260.03
Profit for the year attributable to:			
Equity holders of the parent		15,176.89	14,405.93
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Equity holders of the parent		15,198.87	14,260.03
Non-controlling interest		-	-
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2017: ₹ 2/-)]	30		
Basic & Diluted		32.48	30.83
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

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Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

Consolidated Statement of Change in Equity

for the year ended 31st March, 2018

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. in Lacs	₹ in Lacs
As at 1st April, 2016	467.28	934.56
Changes during the year	-	-
As at 31st March, 2017	467.28	934.56
Changes during the year	-	-
As at 31st March, 2018	467.28	934.56

B. Other Equity (refer note-10)

(₹ in Lacs)

Particulars	Reserves & Surplus						
	Securities Premium	Capital Reserve	Amalgamation Reserve	General Reserve	Retained Earnings	Other Comprehensive Income - Foreign Currency Translation Reserve	Total Other Equity
As at 1st April, 2016	2,279.06	490.04	392.11	72,625.16	27,790.85	8.80	103,586.02
Profit for the year	-	-	-	-	14,405.93	-	14,405.93
Foreign currency translation reserve	-	-	-	-	-	(2.40)	(2.40)
Other Comprehensive Income (Re-measurement loss on defined benefit plans, net of tax)	-	-	-	-	(145.90)	-	(145.90)
Total Comprehensive Income	-	-	-	-	14,260.03	(2.40)	14,257.63
As at 31st March, 2017	2,279.06	490.04	392.11	72,625.16	42,050.88	6.40	117,843.65
Profit for the year	-	-	-	-	15,176.91	-	15,176.91
Other Comprehensive Income (Re-measurement gain on defined benefit plans, net of tax)	-	-	-	-	21.98	-	21.98
Total Comprehensive Income	-	-	-	-	15,198.89	-	15,198.89
Cash Dividend (refer note - 10)	-	-	-	-	(2,570.04)	-	(2,570.04)
Dividend Distribution Tax (refer note -10)	-	-	-	-	(523.20)	-	(523.20)
As at 31st March 2018	2,279.06	490.04	392.11	72,625.16	54,156.53	6.40	129,949.30

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per **SUKRUT MEHTA**

Partner

Membership No. 101974

Place : Ahmedabad

Date : 22nd May, 2018

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

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Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	22,786.15	20,521.60
Adjustments to reconcile profit before tax to net cash flows:		
(Gain)/Loss on Sale/Discard of property, plant and equipment & Capital Work-in-Progress (net)	(17.15)	13.78
Depreciation of Property, Plant and Equipment	6,030.51	5,937.60
Amortisation of intangible assets	30.68	32.25
Dividend income	(294.28)	(167.92)
Interest income and fair value changes in financial instruments	(1,350.43)	(1,118.50)
Unrealised foreign exchange loss	2.82	123.83
Provision for doubtful debts	163.48	108.75
Excess provision & sundry balances written back	(224.02)	(0.40)
Interest expense	658.81	414.57
Operating Profit before working capital changes	27,786.57	25,865.56
Working capital adjustments:		
(Increase) in trade receivables	(13,439.07)	(3,660.29)
(Increase) in inventories	(23,489.77)	(4,436.86)
(Increase)/Decrease in current loans	(4.41)	2,947.03
(Increase) in non current loans	(8.34)	(0.70)
(Increase)/Decrease in other current financial assets	(197.43)	86.15
Decrease/(Increase) in other non-current financial assets	318.45	(1.31)
(Increase)/Decrease in other current non-financial assets	(4,383.93)	769.49
Increase/(Decrease) in trade payables	7,867.40	(562.46)
Increase/(Decrease) in other current liabilities	5,749.03	(299.49)
Increase/(Decrease) in other current financial liabilities	12.61	(29.00)
(Decrease) in other non current asset	-	(20.00)
(Decrease)/Increase in provisions	(262.24)	199.28
Cash generated from operations	(51.13)	20,857.40
Direct taxes paid (net)	(7,221.41)	(7,409.68)
Net Cash (used)/generated from operating activities	(7,272.54)	13,447.72
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and intangible assets (including CWIP and capital advances)	(7,077.18)	(6,611.70)
Proceeds from sale of fixed assets	118.03	55.16
Sales/(Purchase) of short term investments (net)	7,504.46	(4,744.32)
Dividend income	294.28	167.92
Interest income	1,279.96	883.24
Net Cash (used in) generated from investing activities	2,119.55	(10,249.70)

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(902.52)
Short term borrowings (net)	7,891.38	(1,430.90)
Dividend paid	(2,570.04)	-
Dividend distribution tax on dividend	(523.20)	-
Interest paid	(636.46)	(427.59)
Net Cash (used in)/generated from financing activities	4,161.68	(2,761.01)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(991.31)	437.01
Effect of Foreign currency translation reserve	-	(2.40)
Effect of Exchange difference on Cash and Cash equivalents held in foreign currency	(2.82)	(123.83)
Cash and Cash Equivalents at the beginning of the year	1,540.93	1,230.15
Cash and Cash Equivalents at the end of the year (Refer note 7)	546.80	1,540.93

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".
- As per the recent amendment by MCA in "Ind AS 7 Statement of Cash Flows : Disclosure initiative" effective from 1st April, 2017, disclosure of change in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below :

(₹ in Lacs)

Particulars	As at 1st April, 2017	Net Cash Flows	As at 31st March, 2018
Short term borrowings	-	7,891.38	7,891.38
Interest accrued	-	22.35	22.35
	-	7,913.73	7,913.73

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per **SUKRUT MEHTA**

Partner

Membership No. 101974

Place : Ahmedabad

Date : 22nd May, 2018

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

Chairman and Managing Director

S. M. SANGHVI

Whole Time Director

DR. V. M. AGRAWAL

Director

NIDHI GADHECHA

Director

VIMAL KATTA

Chief Financial Officer

J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

1 CORPORATE INFORMATION:

The consolidated financial statements comprise financial statements of Ratnamani Metals & Tubes Limited (the "Company") and its subsidiary (collectively the "Group") for the year ended 31st March, 2018. The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at 17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of stainless steel pipes and tubes and carbon steel pipes at Kutch, Indrad and Chhatral in the state of Gujarat. The Company caters to both domestic and international markets.

The consolidated financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 22nd May 2018.

2 BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments) and derivative financial instruments.

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest Lacs (₹ 00,000), except where otherwise indicated.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprises the financial statements of the Company and its subsidiary, Ratnamani Inc, USA for the year ended 31st March, 2018. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on 'Consolidated Financial Statements'. Consolidated financial statements have been prepared on the following basis:

- i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group

transactions that are included in the carrying amount of assets are eliminated in full.

- ii) Financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- iii) On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI).
- iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- v) The subsidiary considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% of Ownership interest as at 31st March, 2018
Ratnamani INC	United States of America	100%

b CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;• Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c FOREIGN CURRENCIES:

The Group's consolidated financial statements are presented in ₹, which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the Group's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transaction and on translation of monetary items are recognised in Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

d FAIR VALUE MEASUREMENT:

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions (refer note 32 and 33) - Quantitative disclosures of fair value measurement hierarchy (refer note 32.2)
- Financial instruments (including those carried at amortised cost) (refer note 32.2)

e PROPERTY, PLANT AND EQUIPMENT (PPE):

Property Plant Equipment and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance

expenditure and cost of parts replaced, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of property, plant and equipment that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Group calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following fixed assets:

- (i) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- (ii) Furnace and X-ray machines are depreciated at an annual rate of 20% to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Group.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

f INTANGIBLE ASSETS:

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets in the form of softwares are amortised on a straight-line basis over six years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

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for the year ended 31st March, 2018

g IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. A leased asset is depreciated over the useful life of the asset. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

j FINANCIAL INSTRUMENTS:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Consolidated Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Consolidated Statement of Profit and Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach, the Group does not track

changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Consolidated Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Consolidated Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Consolidated Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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for the year ended 31st March, 2018

Financial liabilities at fair value through Consolidated Statement of Profit and Loss

Financial liabilities at fair value through Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through Consolidated Statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Consolidated Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss. The Group has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through Consolidated Statement of Profit and Loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

k INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Weighted Average method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their

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respective present location and condition. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

I REVENUE:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

ii) Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

iii) Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

iv) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Consolidated Statement of Profit and Loss.

v) Revenue from windmills is recognised on unit generation basis, in accordance with the terms of power purchase agreements.

m RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund and superannuation fund are defined contribution plans. The Group has no obligation, other than the contributions payable to provident fund and superannuation fund. The Group recognises contribution payable to these funds as an expense, when an employee renders the related service.

In respect of gratuity liability, the Group operates defined benefit plan wherein contributions are made to a separately administered fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each reporting date being carried out using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs; and
- Net interest expense or income

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Consolidated Statement of Profit and Loss. The Group presents the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gain and loss is recognised in full in the period in which they occur in the Consolidated Statement of Profit and Loss.

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n TAXES:

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generate taxable income.

Current income tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against the deductible temporary differences, except:

- When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the

foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority.

o PROVISIONS:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain, the expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

p DERIVATIVE FINANCIAL INSTRUMENTS:

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through Consolidated Statement of Profit and Loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Any gains or losses arising from changes in the fair value of derivative financial instrument are classified in the Consolidated Statement of Profit and Loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance cost.

q EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit 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, if any.

r CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value. For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s CASH DIVIDEND:

The Group recognises a liability to make cash when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material

adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 25.

(b) Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet can not be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 32 and 33 for further disclosures.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Note No.-3 Property, Plant and Equipment, Intangible Assets and Capital work-in-progress

(a) Property, Plant and Equipment

(₹ in Lacs)

Particulars	Leasehold land	Freehold land	Buildings	Plant & Machinery	Furniture & fixture	Vehicles	Office equipment	Total
Cost								
As at 1st April, 2016	27.60	466.92	9,367.61	37,846.33	425.64	1,289.86	267.38	49,691.34
Additions	-	1,102.26	383.27	4,506.68	1.48	195.35	40.23	6,229.27
Deductions / Capitalisation	-	-	-	27.18	-	84.28	15.78	127.24
Foreign Exchange differences	-	-	-	21.00	-	-	-	21.00
As at 31st March, 2017	27.60	1,569.18	9,750.88	42,346.83	427.12	1,400.93	291.83	55,814.37
Additions	-	1,429.96	694.46	3,255.00	4.57	394.04	56.62	5,834.65
Deductions / Capitalisation	-	-	-	121.93	-	98.98	0.30	221.21
Foreign Exchange differences	-	-	-	-	-	-	-	-
As at 31st March, 2018	27.60	2,999.14	10,445.34	45,479.90	431.69	1,695.99	348.15	61,427.81
Depreciation/Amortization and Impairment								
As at 1st April, 2016	0.35	-	186.61	4,786.25	83.11	60.88	69.43	5,186.63
Depreciation/Amortization for the year	0.35	-	534.06	5,056.23	81.16	203.16	62.64	5,937.60
Deductions	-	-	-	0.02	-	55.06	3.22	58.30
As at 31st March, 2017	0.70	-	720.67	9,842.46	164.27	208.98	128.85	11,065.93
Depreciation/Amortization for the year	0.35	-	470.63	5,210.47	71.16	222.84	55.06	6,030.51
Deductions	-	-	-	47.61	-	72.60	0.12	120.33
As at 31st March, 2018	1.05	-	1,191.30	15,005.32	235.43	359.22	183.79	16,976.11
Net Block								
As at 31st March, 2018	26.55	2,999.14	9,254.04	30,474.58	196.26	1,336.77	164.36	44,451.70
As at 31st March, 2017	26.90	1,569.18	9,030.21	32,504.37	262.85	1,191.95	162.98	44,748.44

Buildings includes ₹ 47.80 Lacs (31st March, 2017 ₹ 47.80 Lacs) representing cost of unquoted fully paid shares held in co-operative housing societies.

Cost of the Property, Plant and Equipment includes carrying value recognised as deemed cost as of 1st April 2015, measured as per previous GAAP and cost of subsequent additions.

(b) Intangible Assets

(₹ in Lacs)

Particulars	Software
Cost	
As at 1st April, 2016	167.08
Additions	-
As at 31st March, 2017	167.08
Additions	54.37
As at 31st March, 2018	221.45
Amortisation and Impairment	
As at 1st April, 2016	72.43
Amortisation for the year	32.25
As at 31st March, 2017	104.68
Amortisation for the year	30.68
As at 31st March, 2018	135.36
Net Block	
As at 31st March, 2018	86.09
As at 31st March, 2017	62.40

Cost of the Intangible assets includes carrying value recognised as deemed cost as of 1st April 2015, measured as per previous GAAP and cost of subsequent additions.

(c) Capital work-in-progress

Particulars	(₹ in Lacs)
As at 31st March, 2018	4,690.61
As at 31st March, 2017	3,830.93

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
4	FINANCIAL ASSETS		
	Investments		
	Non-Trade Investments		
	Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
	Nil (31st March, 2017-2,12,26,803.084) Units of ₹ 10 each in SBI Short Term Debt Fund-Direct Plan- Growth	-	4,082.17
	Nil (31st March, 2017-49,378.787) L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan	-	500.15
	Nil (31st March, 2017-279,168.56) SBI-Premier Liquid Fund Daily Dividend Option	-	2,800.76
	Other unquoted investments in Government Securities (At Amortised cost)		
	National saving certificates	0.06	0.11
		0.06	7,383.19
	Current	0.06	7,383.08
	Non-Current	-	0.11
		0.06	7,383.19
	Aggregate book value of Unquoted Investments	0.06	0.11
	Aggregate book value of Quoted Mutual Funds	-	7,383.08
		0.06	7,383.19
	Loans (Unsecured, Considered Good)		
	Loans to employees	43.61	30.86
		43.61	30.86
	Current	26.01	21.60
	Non-Current	17.60	9.26
		43.61	30.86
	Other Financial Assets		
	Interest accrued	12.79	63.76
	Security deposits	454.21	573.19
	Derivative receivables	4.51	-
	Others	25.27	31.71
		496.78	668.66
	Current	417.42	270.96
	Non-Current	79.36	397.70
		496.78	668.66

Loans are non-derivative financial assets which generate a fixed interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Fair value disclosures for financial assets (refer note-32.1)

Fair value hierarchy disclosures for investment (refer note-32.2)

For Financial instruments risk management objectives and policies (refer note-33)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
5	INVENTORIES		
	Raw materials		
	Raw materials and components	26,233.05	13,553.77
	Raw materials in transit	6,363.74	5,671.98
	Work-in-progress	21,097.83	12,252.31
	Finished goods		
	Finished goods	1,186.33	389.54
	Finished goods in transit	60.60	222.00
	Scrap	1.87	6.12
	Stores and spares	2,456.18	1,814.11
		57,399.60	33,909.83

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
6		
TRADE RECEIVABLES		
Trade receivables		
Secured, considered good	24,895.91	18,092.22
Unsecured, considered good	30,817.55	24,376.50
Unsecured, considered doubtful	213.73	147.57
Receivables from related parties, unsecured, considered good (refer note-29)	105.17	74.32
	56,032.36	42,690.61
Less: Allowance for doubtful debts	213.73	147.57
Total Trade Receivables	55,818.63	42,543.04

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Reconciliation of Allowance for doubtful debts

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Balance at the beginning of the year	147.57	93.55
Add: Allowance for the year	163.48	108.75
(Less): Utilised against write off (net of recovery)	(97.32)	(54.73)
Balance at the end of the year	213.73	147.57

For terms and conditions relating to related party receivables, refer note-29.

(₹ in Lacs)

		As at 31-03-2018	As at 31-03-2017
7	CASH AND CASH EQUIVALENTS		
	Balances with Banks		
	In Current accounts	417.24	1,430.24
	Unpaid dividend accounts	110.77	97.44
	Cash on hand	18.79	13.25
		546.80	1,540.93

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
8	OTHER ASSETS		
	Capital advances	1,033.45	855.04
	Investment in silver	0.84	0.84
	Prepaid expense	335.36	172.85
	Advance receivable in cash or kind		
	Advance for material	4,727.81	1,034.07
	Excise claim receivables	1,248.82	783.95
	DEPB / export licenses	531.97	272.89
	Balances with government authorities	2,610.75	2,668.27
	Export benefits receivable	44.05	36.80
	Wind-Mill surplus receivable	92.13	120.81
	Others	286.67	403.99
		9,542.20	5,320.78
		10,911.85	6,349.51
	Non-Current tax assets (net)	280.50	315.61
		11,192.35	6,665.12
	Current	9,857.56	5,473.63
	Non-Current	1,334.79	1,191.49
		11,192.35	6,665.12

		EQUITY SHARES	
		No. in Lacs	₹ in Lacs
9	SHARE CAPITAL		
	Authorised Share Capital		
	As at 1st April, 2016	750.00	1,500.00
	Increase/(decrease) during the year	-	-
	As at 31st March, 2017	750.00	1,500.00
	Increase/(decrease) during the year	-	-
	As at 31st March, 2018	750.00	1,500.00
	Terms/Rights attached to Equity Shares		
	The Company has only one class of Equity Shares having a par value of ₹ 2/- per share. Each holder of Equity Shares is entitled to one vote per share.		
	The Company declares and pays dividend in Indian ₹. The dividend proposed by the Board of Directors is subject to approval of the Shareholders at the ensuing Annual General Meeting.		
	For the current financial year 2017-18, the Company has proposed dividend of ₹ 6.00 per share to equity shareholder (declared in the previous financial year dividend of ₹ 5.50 per share)		
	In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by Share holders.		
	Issued Share Capital		
	Equity shares of ₹ 2 each issued, subscribed and fully paid		
		No. in Lacs	₹ in Lacs
	As at 1st April, 2016	467.28	934.56
	Increase/(decrease) during the year	-	-
	As at 31st March, 2017	467.28	934.56
	Increase/(decrease) during the year	-	-
	As at 31st March, 2018	467.28	934.56

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% held	No. of Shares	% held
Prakash M. Sanghvi	7,186,385	15.38%	5,426,690	11.61%
Nalanda India Fund Limited	3,604,155	7.71%	3,906,664	8.36%
Jayanti M. Sanghvi	3,861,195	8.26%	3,861,195	8.26%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(₹ in Lacs)

Note No.	Particulars	Amount
10	OTHER EQUITY	
	Securities Premium	
	As at 1st April, 2016	2,279.06
	Increase/(decrease) during the year	-
	As at 31st March, 2017	2,279.06
	Increase/(decrease) during the year	-
	As at 31st March, 2018	2,279.06
	Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.	
	OTHER RESERVES	
	Foreign Currency Translation reserve	
	As at 1st April, 2016	8.80
	Increase/(decrease) during the year	(2.40)
	As at 31st March, 2017	6.40
	Increase/(decrease) during the year	-
	As at 31st March, 2018	6.40
	Capital Reserve	
	As at 1st April, 2016	490.04
	Increase/(decrease) during the year	-
	As at 31st March, 2017	490.04
	Increase/(decrease) during the year	-
	As at 31st March, 2018	490.04
	Capital reserve is mainly used to record the reserves created on receipt of state/central subsidies and amount forfeited towards the forfeiture of Equity warrants issued. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.	
	Amalgamation Reserve	
	As at 1st April, 2016	392.11
	Increase/(decrease) during the year	-
	As at 31st March, 2017	392.11
	Increase/(decrease) during the year	-
	As at 31st March, 2018	392.11
	Amalgamation reserve is used to record the reserves created on amalgamation of Ratnamani Engineering Ltd. and Ratnamani Fine Tubes Pvt. Ltd. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.	
	General Reserve	
	As at 1st April, 2016	72,625.16
	Increase/(decrease) during the year	-
	As at 31st March, 2017	72,625.16
	Increase/(decrease) during the year	-
	As at 31st March, 2018	72,625.16
	Retained Earnings	
	As at 1st April, 2016	27,790.85
	Profit for the year	14,405.93

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Other Comprehensive Income (Re-measurement loss on defined benefit plans, net of tax)	(145.90)
As at 31st March, 2017	42,050.88
Profit for the year	15,176.91
Other Comprehensive Income (Re-measurement gain on defined benefit plans, net of tax)	21.98
Cash Dividend	(2,570.04)
Dividend Distribution Tax	(523.20)
As at 31st March, 2018	54,156.53
Total Other Equity	129,949.30

Distribution made and proposed (₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
Cash dividend on equity shares declared and paid		
Final dividend for the year ended 31st March, 2017: ₹ 5.50 per share (for the year ended 31st March, 2016: ₹ Nil per share)	2,570.04	-
Dividend distribution tax	523.20	-
	3,093.24	-
Proposed dividend on equity shares		
Final dividend for the year ended 31st March, 2018: ₹ 6.00 per share (for the year ended 31st March, 2017: ₹ 5.50 per share)	2,803.68	2,570.04
Dividend distribution tax	570.76	523.20
	3,374.44	3,093.24
	6,467.68	3,093.24

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon).

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
11	BORROWINGS		
	Short term Borrowings		
	Cash credit/export packing credit facilities (secured)(refer note-a)	2,891.38	-
	Short term loan from banks (unsecured) (refer note-b)	5,000.00	-
		7,891.38	-
	Total Borrowings	7,891.38	-
	Current	7,891.38	-
	Non-Current	-	-
		7,891.38	-

- a Short term Borrowings-Cash credit/export packing credit facilities are secured by - i) Hypothecation of Inventories, Books Debts, all other movables; ii) Second charge on Fixed Assets of the Company except, a) 8 wind mills along with related equipments/ machineries situated at Moti Sindholi, Kutch, Gujarat and, b) movable assets in respect of 3Layer PE Coating Line and Offline Welding & Finishing Lines for HSAW plant situated at Survey No.474,village Bhimasar, Tal. Anjar, Dist. Kutch; iii) Personal guarantees of Sh. Prakash M. Sanghvi, Chairman and Managing Director, Sh. Jayanti M. Sanghvi, Whole-time Director and Sh. Shanti M. Sanghvi, Whole-time Director, of the Company; iv) Joint equitable mortgage of all immovable properties held as free-hold and leasehold lands of the Company, except: a) Leasehold land related to 8 wind mills situated at Moti Sindholi, Kutch. b) Lease hold land situated at 3306-09, GIDC Chhatral, Taluka Kalol.
- b Short terms loans from banks are secured by personal guarantee of Sh. Prakash M. Sanghvi, Chairman and Managing Director of the Company.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
12	INCOME TAX		
	The major component of income tax expense for the years ended 31st March, 2018 and 31st March, 2017 are :		
	Consolidated Statement of Profit and Loss		
	Current tax		
	Current income tax	8,042.79	6,371.83
	Tax in respect of earlier years	3.00	(152.19)
	Deferred tax		
	Deferred tax expense/(benefit)	(436.53)	(103.97)
	Income tax expense reported in the consolidated Statement of Profit and Loss	7,609.26	6,115.67
	Other comprehensive income (OCI)		
	Tax related to items recognised in OCI during the year		
	Re-measurement gain/(loss) on defined benefit plans	(11.64)	77.21
	Tax credited to OCI	(11.64)	77.21

a) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31st March, 2018 and 31st March, 2017:

(₹ in Lacs)

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
Accounting profit before tax	22,786.15	20,521.60
Enacted income tax rate in India applicable to the Company	34.608%	34.608%
Tax using the Company's domestic tax rate	7,885.83	7,102.12
Tax effects of :		
Exempt income	(101.84)	(58.11)
Deduction under chapter VIA	(483.66)	(619.52)
Income tax allowances	-	(215.98)
Non-deductible expenses	163.08	86.05
Short/(Excess) provision for current tax of earlier years	3.00	(152.19)
Others	142.85	(26.69)
At the effective income tax rate of 31st March, 2018: 33.39% (31st March, 2017: 29.80%)	7,609.26	6,115.67

(b) Deferred Tax

(₹ in Lacs)

Particulars	Balance Sheet		Consolidated Statement of Profit and Loss	
	As at 31-03-2018	As at 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2017
Liability on accelerated depreciation for tax purpose	4,516.90	4,822.02	(305.12)	(70.88)
Asset on expenses allowed in year of payment	(223.69)	(92.42)	(131.27)	(2.05)
Other adjustments	(4.11)	(3.97)	(0.14)	(31.04)
	4,289.10	4,725.63	(436.53)	(103.97)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31st March 2017, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid is charged to equity.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017
13	TRADE PAYABLES		
	Dues to micro, small and medium enterprises	-	-
	Dues to others	19,278.97	11,635.59
		19,278.97	11,635.59

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Group owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors.

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
14 OTHER CURRENT FINANCIAL LIABILITIES		
Interest accrued but not due	22.35	-
Payables in respect of capital goods	538.20	688.29
Unpaid dividend#	110.77	97.44
Security deposits from employees	-	0.72
	671.32	786.45

not due for credit to "Investors Education and Protection Fund"
Fair value disclosures for financial liabilities (refer note-32.1)

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
15 OTHER CURRENT LIABILITIES		
Interest free advances from customers	8,676.47	3,121.64
Statutory dues payable	1,045.21	880.46
Other miscellaneous liabilities	155.40	125.95
	9,877.08	4,128.05

(₹ in Lacs)

		As at 31-03-2018	As at 31-03-2017
16	PROVISIONS		
	Provision for employee benefits		
	Compensated absences	240.02	290.57
	Gratuity (refer note-25)	124.97	358.64
		364.99	649.21
	Current	364.99	568.18
	Non-Current	-	81.03
		364.99	649.21

(₹ in Lacs)

	As at 31-03-2018	As at 31-03-2017
17		
CURRENT TAX LIABILITIES		
Provision for Income tax (net of advance tax)	1,469.53	680.26
	1,469.53	680.26

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
18	REVENUE FROM OPERATIONS		
	Sale of Products (including excise duty)		
	Finished goods	170,087.58	141,141.18
	Traded goods	-	592.32
	Total Sale of products	170,087.58	141,733.50
	Sale of Power generated from Wind Mills	555.44	828.94
	Sale of Services		
	Sale of services	2,934.60	1,144.38
	Other operating revenue		
	Scrap sales	3,751.07	3,063.37
	Others	1,651.91	852.32
		5,402.98	3,915.69
	Total Revenue from operations	178,980.60	147,622.51

(₹ in Lacs)

	Year ended 31-03-2018	Year ended 31-03-2017
19 OTHER INCOME		
Interest income on		
Inter corporate deposits	15.53	456.22
Bank deposits	2.79	0.42
Others	1,210.67	444.93
Other non-operating income		
Fair value gain on financial instruments at fair value through profit and loss	121.44	216.93
Profit on Sale/Discard/Reduction in value of fixed assets (net)	17.15	-
Bad debts recovered	3.61	-
Sundry balances written back	224.02	0.40
Dividend income on current investments	294.28	167.92
Foreign exchange fluctuation (net)	1,310.64	18.31
Miscellaneous income	42.16	100.83
	3,242.29	1,405.96

(₹ in Lacs)

	Year ended 31-03-2018	Year ended 31-03-2017
20 COST OF RAW MATERIAL CONSUMED AND COMPONENTS CONSUMED		
Opening inventory	19,225.75	18,675.39
Add: Purchases	136,917.24	91,857.74
	156,142.99	110,533.13
Less: Closing inventory	32,596.79	19,225.75
Cost of raw materials and components consumed	123,546.20	91,307.38

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
21	(INCREASE)/DECREASE IN INVENTORY		
	Inventories at the end of the year		
	Work in process	21,097.83	12,252.31
	Finished goods	1,246.93	611.54
	Scrap	1.87	6.12
		22,346.63	12,869.97
	Inventories at the beginning of the year		
	Work in process	12,252.31	7,531.77
	Finished goods	611.54	1,493.14
	Scrap	6.12	3.22
		12,869.97	9,028.13
	(Increase)/Decrease In Inventory		
	Work in process	(8,845.52)	(4,720.54)
	Finished goods	(635.39)	881.60
	Scrap	4.25	(2.90)
		(9,476.66)	(3,841.84)

(₹ in Lacs)

	Year ended 31-03-2018	Year ended 31-03-2017
22 EMPLOYEE BENEFITS		
Salaries, wages and bonus	9,385.09	8,456.44
Contribution to provident and other funds	626.08	587.81
Gratuity expense (refer note-25)	160.22	136.64
Staff welfare expenses	746.12	643.42
	10,917.51	9,824.31

(₹ in Lacs)

	Year ended 31-03-2018	Year ended 31-03-2017
23 FINANCE COST		
Interest on debts and borrowings	517.74	370.24
Interest on income tax	40.00	42.59
Interest others	101.07	1.74
Bank charges	327.25	192.64
	986.06	607.21

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
24	OTHER EXPENSE		
	Consumption of stores & spares	5,009.14	4,065.74
	Freight & transport charges	7,372.66	4,059.51
	Power & fuel	3,432.19	2,192.45
	Labour & processing charges	4,540.73	3,652.65
	Repairs and maintenance:		
	Plant and machineries	730.32	563.52
	Buildings	228.43	69.53
	Others	79.25	98.14
	Quality control	66.60	121.02
	Legal & consultancy charges	373.48	326.22
	Travelling & conveyance expenses	432.65	459.55
	Insurance	309.73	316.20
	Rent	117.68	134.22
	Rates & taxes	280.39	126.11
	Advertisement & other expenses	82.74	85.92
	Sales commission	648.71	169.81
	Loss on Sale/Discard/Reduction in value of fixed assets (net)	-	13.78
	Increase/(Decrease) in excise duty on inventory	(43.96)	(95.66)
	Provision for doubtful debts	163.48	108.75
	Bad debts written off	97.32	54.73
	Provision for doubtful debts utilised	(97.32)	(54.73)
	Charity and donations (refer note-a)	202.66	207.55
	Directors' sitting fees	6.97	7.14
	Miscellaneous expenses (refer note-a)	1,063.45	934.50
		25,097.30	17,616.65
	(a) Other expenses include ₹ 228.60 Lacs (P.Y. ₹ 230.59 Lacs), spent towards various activities relating to Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013, details of which are as under :-		
	Details of Corporate Social Responsibility :-		
	1. Gross amount required to be spent during the year	464.76	468.46
	2. Amount spent during the year :-		
	i) Construction/acquisition of any asset	180.00	210.23
	ii) On purposes other than (i) above	48.60	20.36
		228.60	230.59
	3. Amount unspent during the year	236.16	237.87
		236.16	237.87
		464.76	468.46

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

25 EMPLOYEE BENEFITS EXPENSE

A. Defined contribution plans:

Amount of ₹ 626.08 Lacs (31st March, 2017: ₹ 587.81 Lacs) is recognised as expenses and included in note no. 22 "Employee benefits expense".

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Provident fund	278.44	268.33
Contributory pension scheme	190.63	177.49
Superannuation fund	156.42	141.62
Gujarat Labour welfare fund	0.59	0.37
	626.08	587.81

B. Defined benefit plans:

The Company operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. The Company's gratuity plan is funded with Life Insurance Corporation of India.

31st March, 2018 : Changes in defined benefit obligation and plan assets

(₹ in Lacs)

	Cost charged to Consolidated Statement of Profit and Loss						Remeasurement (gains)/losses in other comprehensive income					
	1st April, 2017	Service cost	Net interest expense	Sub-total included in Consolidated Statement of Profit and Loss (note 22)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31st March, 2018	
Gratuity												
Defined benefit obligation	2,175.32	133.90	159.66	293.56	(76.73)	-	(105.14)	82.34	(22.80)	-	2,369.35	
Fair value of plan assets	1,816.68	-	133.34	133.34	(76.73)	(10.82)	-	-	(10.82)	360.27	2,244.38	
Benefit liability	358.64	133.90	26.32	160.22	-	10.82	(105.14)	13.95	(33.62)	(360.27)	124.97	
Total benefit liability	358.64	133.90	26.32	160.22	-	10.82	(105.14)	13.95	(33.62)	(360.27)	124.97	

31st March, 2017 : Changes in defined benefit obligation and plan assets

(₹ in Lacs)

	Cost charged to Consolidated Statement of Profit and Loss					Remeasurement (gains)/losses in other comprehensive income						
	1st April, 2016	Service cost	Net interest expense	Sub-total included in Consolidated Statement of Profit and Loss (note 22)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31st March, 2017	
Gratuity												
Defined benefit obligation	1,744.63	130.85	146.20	277.05	(46.12)	-	185.85	13.91	199.76	-	2,175.32	
Fair value of plan assets	1,675.49	-	140.41	140.41	(46.12)	23.35	-	-	23.35	70.25	1,816.68	
Benefit liability	69.14	130.85	5.79	136.64	-	(23.35)	185.85	13.91	223.11	(70.25)	358.64	
Total benefit liability	69.14	130.85	5.79	136.64	-	(23.35)	185.85	13.91	223.11	(70.25)	358.64	

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	As at 31-03-2018 (₹ in Lacs)	As at 31-03-2017 (₹ in Lacs)
Insurance funds	2,244.38	1,816.68
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
Discount rate	7.85%	7.34%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	7.85%	7.34%
Employee turnover rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity		(increase) / decrease in defined benefit obligation (Impact)	
Particulars	Sensitivity level	As at 31-03-2018 (₹ in Lacs)	As at 31-03-2017 (₹ in Lacs)
Discount rate	1% increase	(182.26)	(179.28)
	1% decrease	215.05	212.83
Salary increase	1% increase	212.58	209.30
	1% decrease	(183.59)	(179.80)
Employee turnover	1% increase	(3.77)	(12.20)
	1% decrease	4.14	13.79

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended 31-03-2018 (₹ in Lacs)	Year ended 31-03-2017 (₹ in Lacs)
Within the next 12 months (next annual reporting period)	561.23	509.14
Between 2 and 5 years	353.28	276.22
Beyond 5 years	936.80	823.83
Total expected payments	1,851.31	1,609.19

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31-03-2018 (Years)	As at 31-03-2017 (Years)
Gratuity	17	17

The followings are the expected contributions to planned assets for the next year:

Particulars	Year ended 31-03-2018 (₹ in Lacs)	Year ended 31-03-2017 (₹ in Lacs)
Gratuity	284.73	277.61

26 COMMITMENTS AND CONTINGENCIES

a. Contingent Liabilities

(₹ in Lacs)

Sr. No.	Particulars	As at 31-03-2018	As at 31-03-2017
a)	Bill discounted and not matured	9,838.43	-
b)	ESI liability (excluding interest leviable, if any)	360.10	322.31
c)	Disputed statutory claims/levies for which the Group has preferred appeal in respect of (excluding interest leviable, if any):		
	- Income tax	0.60	278.70
	- Excise/Custom duty (note-i)	3,360.65	3,282.17

note-(i) Excise/Custom duty demand comprise various demands from the Excise/Custom Authorities for payment of ₹ 3,360.65 Lacs (31st March, 2017 ₹ 3,282.17 Lacs). The Group has filed appeals against these demands. The Group has been advised by its legal counsel that the demand is likely to be deleted and accordingly no provision for liability has been recognized in the financial statements.

b) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 15,860.42 Lacs (31st March, 2017 ₹ 1,004.31 Lacs).

27 The Group has incurred premium expenses of ₹ 138.41 Lacs (31st March, 2017 ₹ 140.21 Lacs) on Key Man Insurance Policy and Term Plan Policy of Chairman and Managing Director and Whole-Time Directors, which is included in insurance expenses.

28 SEGMENT INFORMATION

Operating Segments:

The Group is engaged in the business of Steel Tubes and Pipes and generation of power by Windmills. In accordance with the requirements of Ind AS 108 "Operating Segments" Group has identified these two segments as reportable segments.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Summary of segment information is given below:

Primary Reportable Segment (Business Segment)

(₹ in Lacs)

Particulars	Steel Tubes and Pipes	Windmill	Adjustments & Elimination	Total
Revenue				
External sales	178,425.16	555.44	-	178,980.60
	(146,793.57)	(828.94)	-	(147,622.51)
Inter segment revenue	-	1,518.20	(1,518.20)	-
	-	(1,530.02)	(1,530.02)	-
Total revenue	178,425.16	2,073.64	(1,518.20)	178,980.60
	(146,793.57)	(2,358.96)	(1,530.02)	(147,622.51)
Results				
Segment results before interest and finance costs	21,266.12	861.38	-	22,127.50
	(18,646.02)	(1,196.37)	-	(19,842.39)
Interest & dividend income & fair value gain on financial instruments at fair value through profit and loss			-	1,644.71
			-	(1,286.42)
Interest and finance costs			-	986.06
			-	(607.21)
Net profit before tax			-	22,786.15
			-	(20,521.60)
Other information				
Segment assets	165,779.70	8,541.57	-	174,321.27
	(124,202.14)	(9,320.42)	-	(133,522.56)
Unallocable assets			-	404.96
			-	(7,860.84)
Total assets	165,779.70	8,541.57	-	174,726.23
	(124,202.14)	(9,320.42)	-	(141,383.40)
Segment liabilities	29,993.13	66.11	-	30,059.24
	(17,010.03)	(91.83)	-	(17,101.86)
Unallocated liabilities and provisions			-	13,783.13
			-	(5,503.33)
Total liabilities	29,993.13	66.11	-	43,842.37
	(17,010.03)	(91.83)	-	(22,605.19)
Segment depreciation	5,313.90	747.29	-	6,061.19
	(5,222.56)	(747.29)	-	(5,969.85)
Capital Expenditure:				
Tangible fixed assets	5,834.65	-	-	5,834.65
	(6,229.27)	-	-	(6,229.27)
Intangible assets	54.37	-	-	54.37
	-	-	-	-

Note: Figures in brackets represent previous year's amount.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Secondary Reportable Segment (Geographical by Customers)

(₹ in Lacs)

Particulars	In India	Outside India	Total
Segment Revenue			
2017-18	133,270.20	45,710.40	178,980.60
2016-17	(121,462.27)	(26,160.24)	(147,622.51)
Segment Assets			
As at 31st March, 2018	161,410.43	13,315.80	174,726.23
As at 31st March, 2017	(137,310.97)	(4,072.43)	(141,383.40)

Revenue from one customer amounted to ₹ 27,931.98 Lacs (31st March, 2017: ₹ 48,947.90 Lacs), arising from sales in the Steel Tubes and Pipes segment.

29 RELATED PARTY DISCLOSURES

As required by Indian Accounting Standard - 24 "Related Parties Disclosures", the disclosure of transactions with related parties are given below :

A Relationships

(a) Key Management Personnel

Mr. Prakash M. Sanghvi	–	Chairman and Managing Director
Mr. Jayanti M. Sanghvi	–	Wholetime Director
Mr. Shanti M. Sanghvi	–	Wholetime Director
Mr. Divyabhash C. Anjaria	–	Director
Mr. Pravinchandra M. Mehta	–	Director
Dr. Vinod M. Agrawal	–	Director
Smt. Nidhi G. Gadhecha	–	Director

(b) Relatives of key management personnel

Mr. Manoj P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
Mr. Prashant J. Sanghvi (Son of Mr. Jayanti M. Sanghvi)
Mr. Nilesh P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
Mr. Jigar P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
Mr. Yash S. Sanghvi (Son of Mr. Shanti M. Sanghvi)

(c) Enterprises owned or significantly influenced by key management personnel or their relatives

Ratnamani Food Products Private Ltd.
Ratnamani Marketing Private Ltd.
Ratnamani Healthcare Private Ltd.
Comfit Valves Private Limited.
Ratnamani Techno Casts Private Limited.
Shree Mahavir Education Trust.

Notes to Consolidated Financial Statements

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B The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

	(₹ in Lacs)	
Particulars	2017-18	2016-17
Rent Expense		
Ratnamani Food Products Private Ltd.	17.42	17.42
Ratnamani Marketing Private Ltd.	20.81	20.81
Reimbursement of Expense (Received)		
Ratnamani Healthcare Private Ltd.	0.66	0.66
Other Purchases		
Ratnamani Healthcare Private Ltd.	3.59	-
Donation		
Shree Mahavir Education Trust.	180.00	185.00
Remuneration		
Mr. Prakash M. Sanghvi	166.88	153.83
Mr. Jayanti M. Sanghvi	129.04	117.79
Mr. Shanti M. Sanghvi	108.21	97.97
Mr. Manoj P. Sanghvi	72.88	80.12
Mr. Prashant J. Sanghvi	62.02	68.44
Mr. Nilesh P. Sanghvi	52.14	57.57
Mr. Jigar P. Sanghvi	25.57	27.44
Mr. Yash S. Sanghvi	6.34	1.69
Commission		
Mr. Prakash M. Sanghvi	850.00	725.00
Mr. Jayanti M. Sanghvi	510.00	435.00
Mr. Shanti M. Sanghvi	340.00	290.00
Sitting Fees		
Mr. Divyabhash C. Anjaria – Director	2.21	2.04
Mr. Pravinchandra M. Mehta – Director	1.70	1.36
Dr. Vinod M. Agrawal – Director	1.70	2.04
Smt. Nidhi G. Gadhecha – Director	1.36	1.70
Outstanding as at year end	As at 31-03-2018	As at 31-03-2017
Receivable		
Comfit Valves Private Limited.	4.88	4.61
Ratnamani Techno Casts Pvt. Ltd.	100.29	69.71
Payable		
Mr. Prakash M. Sanghvi	857.19	733.81
Mr. Jayanti M. Sanghvi	514.94	439.39
Mr. Shanti M. Sanghvi	344.36	294.50
Mr. Manoj P. Sanghvi	0.38	1.97
Mr. Prashant J. Sanghvi	1.48	1.70
Mr. Nilesh P. Sanghvi	0.79	1.46
Mr. Jigar P. Sanghvi	0.86	0.93
Mr. Yash S. Sanghvi	0.05	0.20

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on an actuarial basis for the Company as a whole.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2018 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017: ₹ Nil). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

30 Earnings Per Share (EPS):

		(₹ in Lacs)	
Particulars		2017-18	2016-17
Profit for the year	(₹ in Lacs)	15,176.89	14,405.93
Weighted average no. of shares for EPS computation			
for basic and diluted EPS (Nos)	(Lacs)	467.28	467.28
Earnings per share (basic and diluted)	(₹)	32.48	30.83
Nominal value of shares	(₹)	2.00	2.00

31 Derivative instruments at year end:

Sr. No.	Particulars	31-03-2018 Amount (₹ In Lacs)	31-03-2018 Foreign Currency (In Lacs)	31-03-2017 Amount (₹ In Lacs)	31-03-2017 Foreign Currency (In Lacs)	Purpose
1	Forward contracts (USD purchase)	328.02	USD 5.00	-	-	Hedge of highly probable foreign currency purchase

32 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

32.1 Category-wise Classification of Financial Instruments:

(₹ in Lacs)

Particulars		As at 31-03-2018		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in unquoted Government securities	4	-	0.06	0.06
Trade receivables	6	-	55,818.63	55,818.63
Cash and cash equivalents	7	-	546.80	546.80
Loans	4	-	43.61	43.61
Other financial assets	4	-	496.78	496.78
Total		-	56,905.88	56,905.88
Financial liabilities				
Borrowings	11	-	7,891.38	7,891.38
Trade payables	13	-	19,278.97	19,278.97
Other financial liabilities	14	-	671.32	671.32
Total		-	27,841.67	27,841.67

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Refer Note	As at 31-03-2017		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in unquoted Government securities	4	-	0.11	0.11
Investments in quoted mutual funds	4	7,383.08	-	7,383.08
Trade receivables	6	-	42,543.04	42,543.04
Cash and cash equivalents	7	-	1,540.93	1,540.93
Loans	4	-	30.86	30.86
Other financial assets	4	-	668.66	668.66
Total		7,383.08	44,783.60	52,166.68
Financial liabilities				
Trade payables	13	-	11,635.59	11,635.59
Other financial liabilities	14	-	786.45	786.45
Total		-	12,422.04	12,422.04

32.2 Category-wise Classification of Financial Instruments:

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

(₹ in Lacs)

Particulars	As at 31-03-2018		As at 31-03-2017	
	Significant observable Inputs (Level 1)	Total	Significant observable Inputs (Level 1)	Total
Financial Assets				
Investments in quoted mutual funds (measured at FVTPL) (refer note-4)	-	-	7,383.08	7,383.08

(b) Financial Instruments measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include investments, loans given, trade and other receivables and cash and short-term deposits that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Group's risk management is carried out by the corporate finance under policies approved by the Board of Directors. The corporate finance identifies, evaluates and hedges financial risks in close co-operation with the Group's Business Heads. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

The corporate finance function reports quarterly to the Company's Audit Committee, that monitors risks and policies framed to mitigate risk exposures.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Consolidated Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying assets/liabilities and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's unhedged foreign currency denominated monetary items are as follows:

(₹ in Lacs)

Currency	Liabilities		Assets	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
USD	7,281.55	4,339.64	13,102.97	9,442.98
EURO	650.52	1,537.80	576.44	330.21
GBP	2.78	-	302.30	-

The above table represents total unhedged exposure of the Group towards foreign exchange denominated assets and liabilities. The details of exposures hedged using forward exchange contracts are given as a part of note-31.

The Group is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Lacs)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
USD sensitivity				
RUPEES / USD – increase by 1%	58.15	51.04	58.15	51.04
RUPEES / USD – decrease by 1%	(58.15)	(51.04)	(58.15)	(51.04)

iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Group is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. As at 31st March, 2018, the carrying value of such instruments recognised at FVTPL amounts to ₹ Nil (31st March, 2017 ₹ 7,383.08 Lacs). The details of such investments in mutual funds is given in note 4.

The management expects that the exposure to risk of changes in market rates of these mutual funds is minimal.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Concentrations of Credit risk form part of Credit risk

During the year ended 31st March, 2018, sales to a customer approximated ₹ 27,931.98 Lacs or 15.61 % of net revenue and during the year ended 31st March 2017, sales to such customer approximated ₹ 48,947.90 Lacs or 35.72 % of net revenue. Accounts receivable from such customer approximated ₹ 18,040.55 Lacs at 31st March, 2018 and ₹ 20,789.94 Lacs at 31st March, 2017. A loss of this customer could adversely affect the operating results or cash flows of the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including, debt and overdraft / credit facilities from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Lacs)					
Particulars	On Demand	Less than 1 year	1 to 5 years	More than 5 year	Total
Year ended 31st March, 2018					
Interest bearing borrowings	2,891.38	5,000.00	-	-	7,891.38
Trade payables	-	19,278.97	-	-	19,278.97
Other financial liabilities	110.77	560.55	-	-	671.32
Year ended 31st March, 2017					
Interest bearing borrowings	-	-	-	-	-
Trade payables	-	11,635.59	-	-	11,635.59
Other financial liabilities	97.44	689.01	-	-	786.45

34 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

As at 31st March, 2018, the Group meets its capital requirement through equity and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements.

In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The management of the Group reviews the capital structure of the Group on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

35 STATUTORY GROUP INFORMATION

(₹ in Lacs)

Name of the entity in the Group	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR (Lacs)	As % of consolidated profit / (loss)	INR (Lacs)	As % consolidated other Comprehensive income	INR (Lacs)	As % consolidated other Comprehensive income	INR (Lacs)
Parent Company								
Ratnamani Metals & Tubes Limited								
Balance as at 31st March, 2018	99.94%	130,801.71	100.01%	15,178.81	100.00%	21.98	100.01%	15,200.79
Balance as at 31st March, 2017	99.93%	118,694.16	100.17%	14,429.91	100.00%	(145.90)	100.17%	14,284.01
Subsidiary Company								
Foreign								
Ratnamani INC USA								
Balance as at 31st March, 2018	0.06%	82.15	-0.01%	(1.92)	-	-	-0.01%	(1.92)
Balance as at 31st March, 2017	0.07%	84.05	-0.17%	(23.98)	-	-	-0.17%	(23.98)
Total								
Balance as at 31st March, 2018	100.00%	130,883.86	100.00%	15,176.91	100.00%	21.98	100.00%	15,198.89
Balance as at 31st March, 2017	100.00%	118,778.21	100.00%	14,405.93	100.00%	(145.90)	100.00%	14,260.03

36 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in Cash Flow Statement.

Standards issued but not yet effective

AS 115-Revenue from Contracts with Customers:

Ind AS 115 was notified on 28th March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1st April, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from

Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

37 EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 22nd May, 2018, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

38 Figures of previous year's have been regrouped, wherever considered necessary to make them comparable to current year's figures.

As per our report of even date

For S R B C & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per SUKRUT MEHTA

Partner

Membership No. 101974

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI

Chairman and Managing Director

S. M. SANGHVI

Whole Time Director

DR. V. M. AGRAWAL

Director

NIDHI GADHECHA

Director

VIMAL KATTA

Chief Financial Officer

J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

JIGAR SHAH

Company Secretary

Place : Ahmedabad

Date : 22nd May, 2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Prakash M. Sanghvi	Chairman & Managing Director
Shri Jayanti M. Sanghvi	Whole Time Director
Shri Shanti M. Sanghvi	Whole Time Director
Shri Divyabhash C. Anjaria	Independent Director
Dr. Vinod M. Agrawal	Independent Director
Shri Pravinchandra M. Mehta	Independent Director
Smt. Nidhi G. Gadhecha	Independent Director

KEY MANAGERIAL PERSONNEL

Shri Vimal Katta	Sr. Vice President (F & A) (C. F. O.)
Shri Jigar Shah	Company Secretary

AUDIT COMMITTEE

Shri Divyabhash C. Anjaria	Chairman
Dr. Vinod M. Agrawal	Member
Shri Jayanti M. Sanghvi	Member
Smt. Nidhi G. Gadhecha	Member

NOMINATION AND REMUNERATION COMMITTEE

Shri Divyabhash C. Anjaria	Chairman
Dr. Vinod M. Agrawal	Member
Shri Pravinchandra M. Mehta	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri Divyabhash C. Anjaria	Chairman
Dr. Vinod M. Agrawal	Member
Shri Jayanti M. Sanghvi	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Pravinchandra M. Mehta	Chairman
Shri Prakash M. Sanghvi	Member
Shri Jayanti M. Sanghvi	Member

BANKERS

State Bank of India | IDBI Bank | ICICI Bank

STATUTORY AUDITORS

M/s. S. R. B. C. & Co., LLP, Chartered Accountants

INTERNAL AUDITORS

M/s. G. K. Choksi & Co., Chartered Accountants

COST AUDITORS

M/s. N. D. Birla & Co., Cost Accountants

SECRETARIAL AUDITORS

M/s. M. C. Gupta & Co., Company Secretaries

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Fax No. : 02764-233859

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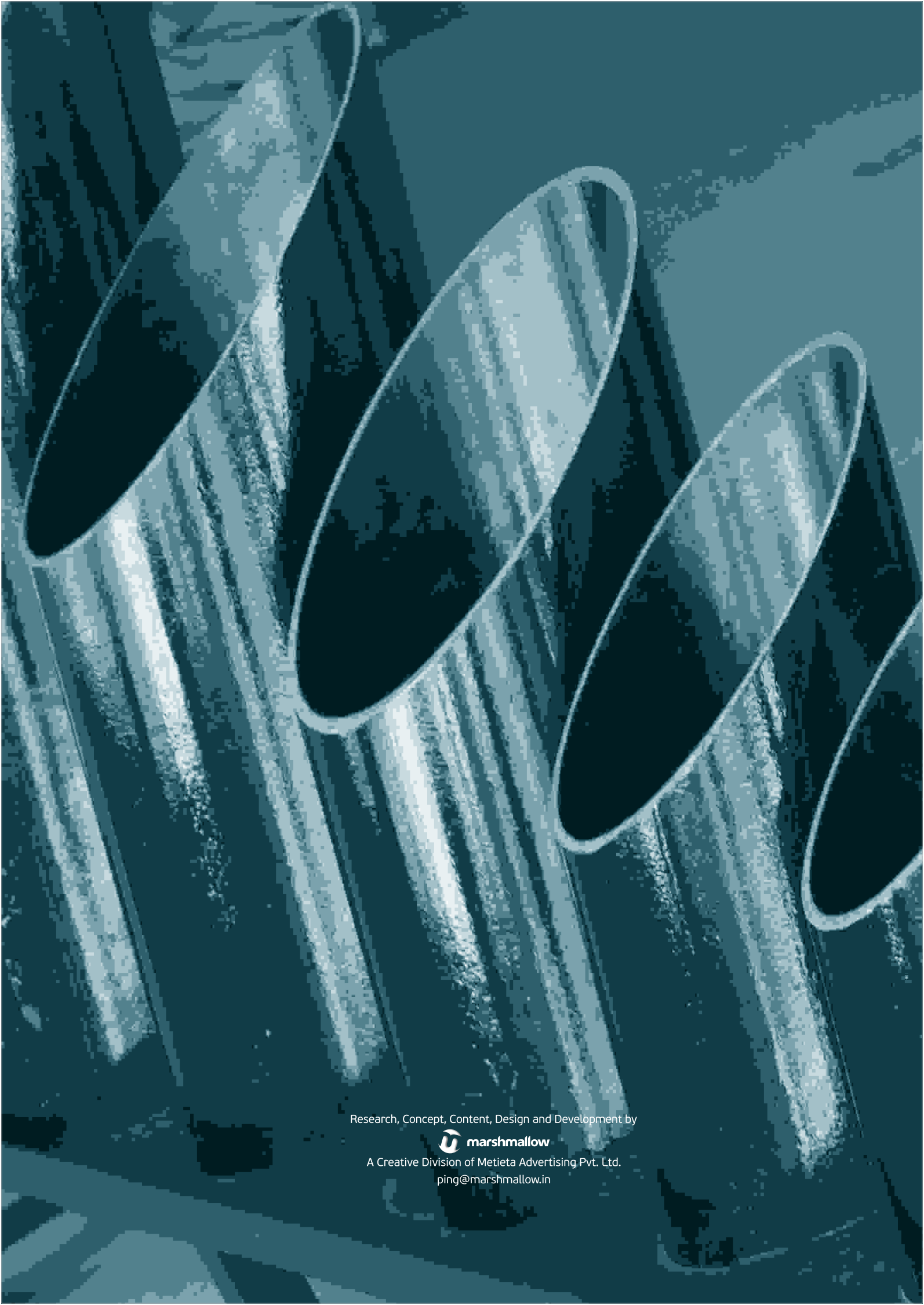
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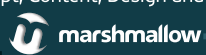
NOTES

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