



Regd. Office : 17, Rajmugat Society, Naranpura Char Rasta, Naranpura,
Ahmedabad – 380 013, Gujarat

NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the Members of **RATNAMANI METALS & TUBES LTD.** will be held as under:

DAY : Monday

DATE : 12th August, 2013

TIME : 10.00 AM

VENUE : The Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad – 380 009

to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- To declare dividend on equity shares.
- To appoint a Director in place of Shri P. M. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
- To re-appoint M/s. Mehta Lodha & Co., Chartered Accountants, Ahmedabad having Firm Registration No. 106250W and M/s S. R. Batliboi & Associates LLP, Chartered Accountants, Ahmedabad, having Firm Registration no. 101049W, Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Shri Prakash M. Sanghvi as Managing Director of the Company for a period of five years with effect from 1st November 2013, on the following terms and conditions."

"RESOLVED FURTHER THAT the terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

I. SALARY:

Shri Prakash M. Sanghvi Managing Director	Salary ₹ 9,00,000/- per month (Rupees Nine lacs per month) in the scale of ₹ 9,00,000–1,00,000–13,00,000 and perquisites as admissible under Schedule XIII of the Companies Act, 1956.
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II. COMMISSION:

In addition to the salary, perquisites and allowances, commission is payable as calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

III. PERQUISITES:

In addition to the salary he shall be entitled to perquisites such as fully furnished house or house rent allowance in lieu thereof, expenses incurred on gas, electricity, water and furnishing, repairs, medical benefits for self and family, leave travel concession for self and family, club fees, personal accident insurance and mediclaim policy and/or other allowances subject to the ceilings mentioned above.

IV. The salary and perquisites as mentioned above at items I, II and III will be exclusive of

- Provident Fund: Contribution of Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act, 1961
- Gratuity: Gratuity not exceeding half month's salary for each completed years of service.
- Encashment of Leave: Leave unavailed of to be allowed to be encashed as per rules of the Company.

V. Car and Telephone: For Company's work provision of car with driver and telephone at the residence, which shall not be included in the computation of perquisites.

VI. The remuneration including salary, perquisites and commission in any financial year shall not exceed 5% of Net Profit to the Appointee or 10% of Net Profit to all Managerial Personnels.

VII. Minimum Remuneration: Where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate, the remuneration payable to the Managing Director as salary, allowance and perquisites shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government, from time to time as minimum remuneration.

VIII. The Managing Director shall be entitled to be reimbursed and paid out all costs, charges and expenses, if any, paid, spent or incurred by him for and on behalf of and on account of the Company in the discharge and execution of his duties as Managing Director of the Company or otherwise, in connection with the business and affairs of the Company.

- IX. Shri Prakash M. Sanghvi shall not be liable to retire by rotation.
- X. Shri Prakash M. Sanghvi will not be entitled to receive any sitting fees for attending the meeting of the Board of Directors or Committees thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary the said terms and conditions of remuneration subject to the limits set out in the existing applicable Schedule XIII of the Companies Act, 1956 and in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to vary or increase remuneration including salary, commission, perquisites etc. within such prescribed limit or ceiling subject to necessary approvals."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to this resolution".

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Shri Jayanti M. Sanghvi as Whole-time Director of the Company for a period of five years with effect from 1st November 2013 on the following terms and conditions."

"RESOLVED FURTHER THAT the terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

I. SALARY:

Shri Jayanti M. Sanghvi Whole-time Director	Salary ₹ 6,00,000/- per month (Rupees Six lac per month) in the scale of ₹ 6,00,000-80,000- 9,20,000 and perquisites upto ₹ 10,00,000/- p.a.
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II. COMMISSION:

In addition to the salary, perquisites and allowances, commission is payable as calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

III. PERQUISITES:

In addition to the salary he shall be entitled to perquisites such as fully furnished house or house rent allowance in lieu thereof, expenses incurred on gas, electricity, water and furnishing, repairs, medical benefits for self and family, leave travel concession for self and family, club fees, personal accident insurance

and mediclaim policy and/or other allowances subject to the ceilings mentioned above.

- IV. The salary and perquisites as mentioned above at items I, II and III will be exclusive of
- Provident Fund: Contribution of Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
 - Gratuity: Gratuity not exceeding half month's salary for each completed years of service.
 - Encashment of Leave: Leave unavailed of to be allowed to be encashed as per rules of the Company.
- V. Car and Telephone: For Company's work provision of car with driver and telephone at the residence, which shall not be included in the computation of perquisites.
- VI. The remuneration including salary, perquisites and commission in any financial year shall not exceed 5% of Net Profit to the Appointee or 10% of Net Profit to all Managerial Personnels.
- VII. Minimum Remuneration: Where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate, the remuneration payable to the Whole-time Director as salary, allowance and perquisites shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government, from time to time as minimum remuneration.
- VIII. The Whole-time Director shall be entitled to be reimbursed and paid out all costs, charges and expenses, if any, paid, spent or incurred by him for and on behalf of and on account of the Company in the discharge and execution of his duties as Whole-time Director of the Company or otherwise, in connection with the business and affairs of the Company.
- IX. Shri Jayanti M. Sanghvi shall not be liable to retire by rotation.
- X. Shri Jayanti M. Sanghvi is not entitled to receive any sitting fees for attending the meeting of the Board of Directors or Committees thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary the said terms and conditions of remuneration subject to the limits set out in the existing applicable Schedule XIII of the Companies Act, 1956 and in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to vary or increase remuneration including salary, commission, perquisites etc. within such prescribed limit or ceiling subject to necessary approvals."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to this resolution".

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shanti M. Sanghvi as Whole-time Director of the Company for a period of five years with effect from 1st November 2013 on the following terms and conditions."

"RESOLVED FURTHER THAT the terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

I. SALARY:

Shri Shanti M. Sanghvi Whole-time Director	Salary ₹ 5,00,000/- per month (Rupees Five lac per month) in the scale of ₹ 5,00,000-70,000- 7,80,000 and perquisites upto ₹ 8,00,000/- p. a.
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II. COMMISSION:

In addition to the salary, perquisites and allowances, commission is payable in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956.

III. PERQUISITES:

In addition to the salary he shall be entitled to perquisites such as fully furnished house or house rent allowance in lieu thereof, expenses incurred on gas, electricity, water and furnishing, repairs, medical benefits for self and family, leave travel concession for self and family, club fees, personal accident insurance and mediclaim policy and/or other allowances subject to the ceilings mentioned above.

- IV. The salary and perquisites as mentioned above at items I, II and III will be exclusive of

- Provident Fund: Contribution of Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
- Gratuity: Gratuity not exceeding half month's salary for each completed years of service.
- Encashment of Leave: Leave unavailed of to be allowed to be encashed as per rules of the Company.

- V. Car and Telephone: For Company's work provision of car with driver and telephone at the residence, which shall not be included in the computation of perquisites.

- VI. The remuneration including salary, perquisites and commission in any financial year shall not exceed 5% of Net Profit to the Appointee or 10% of Net Profit to all Managerial Personnels.

- VII. Minimum Remuneration: Where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate, the

remuneration payable to the Whole-time Director as salary, allowance and perquisites shall be governed by, and be subject to the ceilings provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government, from time to time as minimum remuneration.

- VIII. "The Whole-time Director shall be entitled to be reimbursed and paid out all costs, charges and expenses, if any, paid, spent or incurred by him for and on behalf of and on account of the Company in the discharge and execution of his duties as Whole-time Director of the Company or otherwise, in connection with the business and affairs of the Company.

- IX. Shri Shanti M. Sanghvi shall be liable to retire by rotation.

- X. Shri Shanti M. Sanghvi is not entitled to receive any sitting fees for attending the meeting of the Board of Directors or Committees thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary the said terms and conditions of remuneration subject to the limits set out in the existing applicable Schedule XIII of the Companies Act, 1956 and in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to vary or increase remuneration including salary, commission, perquisites etc. within such prescribed limit or ceiling subject to necessary approvals."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to this resolution".

Registered Office:

17, Rajmugat Society,
Naranpura Char Rasta,
Naranpura, Ahmedabad - 380 013
Date: June 25, 2013

By the Order of the Board

Virag Joshi
Company Secretary

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.**
- An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 3rd August, 2013 to Monday, 12th August, 2013 (Both days inclusive).
- The Dividend, if declared will be payable from Friday, 16th August, 2013

- (a) to those members whose names appear in the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company before Saturday, 3rd August, 2013 and
- (b) in respect of shares held in electronic form to those members whose names appear on the statements of beneficial owners furnished by NSDL and CDSL as at the end of the business hours on Friday, 2nd August 2013.
5. Queries on "Accounts and Operations" of the Company, if any, may please be sent to the Company ten days in advance of the Meeting so that the answers are readily available at the meeting.
6. Kindly quote your Ledger Folio Number/Client ID Number in all your future correspondence.
7. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
8. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file Nomination in respect of their shareholdings (in Physical Form). Any shareholder willing to avail of this facility may submit to the Company the prescribed Form 2B, if not already filed.
11. Members are requested to note that the dividends not en-cashed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund. The details of the Unpaid Dividend are as follows:

Date of Declaration	For the Financial Year	Due for Transfer on	Unpaid Amt. (₹ in lac as on 31.03.2013)
09/09/2006	2005-2006	08/10/2013	2.19
07/09/2007	2006-2007	06/10/2014	2.57
23/09/2008	2007-2008	22/10/2015	4.72
15/09/2009	2008-2009	14/10/2016	6.31
27/08/2010	2009-2010	26/09/2017	7.62
18/08/2011	2010-2011	17/09/2018	11.45
26/09/2012	2011-2012	25/10/2019	10.89

Members who have not encashed their above Dividend Warrants may approach to the Company immediately for payment as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.

12. The Company has appointed M/s. Sharepro Services (India) Pvt. Ltd. as its Registrar and Share Transfer Agent. All the shareholders of the Company are therefore requested to correspond directly with them at the following address in the matters related both for the transfer of shares as well as for dematerialization of the shares.

RTA's REGISTERED OFFICE ADDRESS

Sharepro Services (India) Private Limited
Unit: Ratnamani Metals & Tubes Limited
 13 AB, Samhita Warehousing Complex,
 2nd Floor, Sakinaka Telephone Exchange Lane,
 Off Andheri - Kurla Road,
 Sakinaka, Andheri (E),
 Mumbai - 400 072
 Tel. No. - (022) 6772 0300 / 6772 0400
 Fax No. - (022) 28591568
Email: sharepro@shareproservices.com

RTA's AHMEDABAD BRANCH ADDRESS

M/s. Sharepro Services (India) Private Limited
Unit: Ratnamani Metals & Tubes Limited
 Devnandan Mega Mall,
 Office No. 416-420, 4th Floor,
 Opp. Sanyas Ashram, Ashram Road
 Ahmedabad - 380006
 Tel. No.- (079) 26582381-82-83-84
 Fax No.- (079) 26582385
 Contact Person: Mr. Wilson Gohil
E-mail: sharepro.ahmedabad@shareproservices.com

13. Members are requested to notify immediately any change in their address/Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrar and Share Transfer Agent of the Company.
14. With a view to provide protection against fraudulent encashment of Dividend Warrants, members are requested
- to provide their Bank Account Number, name of the Bank and address of the branch to enable the Company to incorporate the said details in the Dividend Warrants.
15. Non-Resident Indian Members are requested to inform M/s Sharepro Services (India) Private Limited, immediately of :
- a. Change in their residential status on return to India for permanent settlement.

- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/capital market to furnish Income Tax Permanent Account Number (PAN). Accordingly all the shareholders are requested to submit their Permanent Account Number along with photocopy of both the sides of the PAN Card duly attested.
- Shareholders holding shares in electronic form are requested to furnish their PAN to their Depository Participant with whom they maintain their account along with documents as required by them.
- Shareholders holding shares in physical form are requested to submit photocopy of the PAN Card of all the holders including joint holders duly attested by Notary Public/Gazette Officer/Bank Manager under their official seal and with full name and address either to the Company's Registered Office or at the office of its Registrar at the address mentioned above.
17. **The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliance by Companies through electronic**

mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail address of shareholders.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with M/s. Sharepro Services (India) Private Limited, Registrar and Share Transfer Agents of the Company.

18. Ratnamani Engineering Limited (REL) was amalgamated with Ratnamani Metals & Tubes Limited (RMTL) as per the scheme approved by the Honorable High Court of Gujarat in the year 1998. Accordingly, RMTL has allotted shares to the shareholders of REL. From our records, we find that some shareholders have yet not exchanged their share certificates after delivering share certificates of REL. Therefore it is our earnest request to all the shareholders who have REL share certificates, to get the same exchanged for RMTL share certificates.
19. Information regarding the Directors proposed to be appointed / re-appointed pursuant to clause 49 (IV) (G) of the Listing Agreement with the stock exchanges is annexed.

Annexure to the Notice

Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956

Item No. 5:

Shri Prakash M. Sanghvi was re-appointed as Managing Director of the Company at the 25th Annual General Meeting held on 15th September 2009 for a period of five years with effect from 1st November 2008 at remuneration within the overall limit provided in Schedule XIII of the Companies Act, 1956. Shri Prakash M. Sanghvi is looking after Marketing, Finance and Development of Projects and has established a wide distribution network in tubes and pipes.

In order to enable the Company to continue to have benefits from his wide and varied knowledge and experience of more than 36 years in the field of Corporate Planning and Management of the Company, the Board of Directors of the Company, on the recommendation of the Remuneration Committee and subject to the approval of the members of the Company in the General Meeting, thought fit to re-appoint him as a Managing Director for a further period of five years on the terms and conditions of remuneration enumerated in the resolution.

However, the Board of Directors may be authorized to vary and revise the said terms and conditions of remuneration and grant suitable increases whether by way of salary, commission, allowances and other perquisites subject to the limits set out in the existing applicable Schedule XIII of the Companies Act, 1956.

The Company will enter into new agreement with Shri Prakash M. Sanghvi for his re-appointment as Managing Director embodying the principle terms and conditions enumerated in the resolution. A copy of the draft agreement proposed to be entered into will be open for inspection by the members of the Company at the registered office of the Company on any working day between 11:00 a. m. to 1:00 p. m.

The terms and conditions of re-appointment and remuneration payable to Shri Prakash M. Sanghvi as Managing Director of the Company as set out in the Notice and Explanatory Statement should be treated as an abstract of the terms of his appointment and memorandum of interest under Section 302 of the Companies Act.

Shri Prakash M. Sanghvi is concerned or interested in the resolution as it relates to his own appointment as Managing Director and the payment of remuneration to him.

Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi, Directors of the Company are also concerned or interested in the said resolution as they are relatives of Shri Prakash M. Sanghvi. None of the other Directors of the Company is interested or concerned in the resolution.

The Board of Directors recommends the resolution for approval of the members.

Item No. 6:

Shri Jayanti M. Sanghvi was re-appointed as Whole-time Director of the Company at the 25th Annual General Meeting held on 15th September 2009 for a period of five years with effect from 1st November 2008 at remuneration within the overall limit provided in Schedule XIII of the Companies Act, 1956. Shri Jayanti M. Sanghvi is looking after factory administration and has developed excellent business relations in Government and Semi-Government offices.

In order to enable the Company to continue to have benefits from his wide and varied knowledge and experience of more than 33 years in the field of factory administration, the Board of Directors of the Company, on the recommendation of the Remuneration Committee and subject to the approval of the members of the Company in the General Meeting, thought fit to re-appoint him as a Whole-time Director for a period of five years on the terms and conditions of remuneration enumerated in the resolution.

However, the Board of Directors may be authorized to vary and revise the said terms and conditions of remuneration and grant suitable increases whether by way of salary, commission, allowances and other perquisites subject to the limits set out in the existing applicable Schedule XIII of the Companies Act, 1956.

The Company will enter into new agreement with Shri Jayanti M. Sanghvi for his re-appointment as Whole-time Director embodying the principle terms and conditions enumerated in the resolution. A copy of the draft agreement proposed to be entered into will be open for inspection by the members of the Company at the registered office of the Company on any working day between 11:00 a. m. to 1:00 p. m.

The terms and conditions of re-appointment and remuneration payable to Shri Jayanti M. Sanghvi as Whole-time Director of the Company as set out in the Notice and Explanatory Statement should be treated as an abstract of the terms of his appointment and memorandum of interest under Section 302 of the Companies Act.

Shri Jayanti M. Sanghvi is concerned or interested in the resolution as it relates to his own appointment as Whole-time Director and the payment of remuneration to him.

Shri Prakash M. Sanghvi and Shri Shanti M. Sanghvi, Directors of the Company are also concerned or interested in the said resolution as they are relatives of Shri Jayanti M. Sanghvi. None of the other Directors of the Company is interested or concerned in the resolution.

The Board of Directors recommends the resolution for approval of the members as special resolution.

Item No. 7:

Shri Shanti M. Sanghvi was re-appointed as Whole-time Director of the Company at the 25th Annual General Meeting held on 15th September 2009 for a period of five years with effect from 1st November 2008 at remuneration within the overall limit provided in Schedule XIII of the Companies Act, 1956. Shri Shanti M. Sanghvi is looking after the activities related to co-ordination of support service between the Customers and Central Marketing Division of the Company as well as finalizing offers with Customers. He also ensures effective after-sales service to the Customers. He is also responsible for maintaining administrative work of the Company's branch office at Mumbai.

In order to enable the Company to continue to have benefits from his wide and varied knowledge and experience of more than 31 years, the Board of Directors of the Company, on the recommendation of the Remuneration Committee and subject to the approval of the members of the Company in the General Meeting, thought fit to re-appoint him as a Whole-time Director for a period of five years on the terms and conditions of remuneration enumerated in the resolution.

However, the Board of Directors may be authorized to vary and revise the said terms and conditions of remuneration and grant suitable increases whether by way of salary, commission, allowances and other perquisites subject to the limits set out in the existing applicable Schedule XIII of the Companies Act, 1956.

The Company proposes to enter into new agreement with Shri Shanti M. Sanghvi for his re-appointment as Whole-time Director embodying the principle terms and conditions enumerated in the resolution. A copy of the draft agreement proposed to be entered into will be open for inspection by the members of the Company at the registered office of the Company on any working day between 11:00 a. m. to 1:00 p. m.

The terms and conditions of re-appointment and remuneration payable to Shri Shanti M. Sanghvi as Whole-time Director of the

Registered Office:

17, Rajmugat Society,
Naranpura Char Rasta,
Naranpura, Ahmedabad - 380 013

Date: June 25, 2013

Company as set out in the Notice and Explanatory Statement should be treated as an abstract of the terms of his appointment and memorandum of interest under Section 302 of the Companies Act.

Shri Shanti M. Sanghvi is concerned or interested in the resolution as it relates to his own appointment as Whole-time Director and the payment of remuneration to him.

Shri Prakash M. Sanghvi and Shri Jayanti M. Sanghvi, Directors of the Company are also concerned or interested in the said resolution as they are relatives of Shri Shanti M. Sanghvi. None of the other Directors of the Company is interested or concerned in the resolution.

The Board of Directors recommends the resolution for approval of the members as Special Resolution.

By the Order of the Board

Virag Joshi
Company Secretary

Pursuant to Clause 49(IV) (G) under Corporate Governance of the Listing Agreement with Stock Exchanges, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

PROFILE OF SHRI PRAKASH M. SANGHVI, MANAGING DIRECTOR

Shri Prakash M. Sanghvi is the promoter of the Company and Executive Director on the Board of the Company. He is holding the position of the Chairman & Managing Director of the Company. He has over 36 years of experience in the Metal Industry and overall Corporate Management covering corporate strategy, developments to functional management.

Age:

57 Years

Qualification:

Matriculation

Directorship in other Companies:

1. Jain International Trade Organisation (JITO)

Memberships/Chairmanships of Committees in other Public Companies:

NIL

Shareholding in the Company:

35,66,571 Shares (As on June 25, 2013)

Relationship with other Directors of the Company: Shri Prakash M. Sanghvi is the brother of Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi, Directors of the Company. No other Director is related to him.

PROFILE OF SHRI JAYANTI M. SANGHVI, WHOLE-TIME DIRECTOR

Shri Jayanti M. Sanghvi is the promoter of the Company and Executive Director on the Board of the Company. He is holding the position of the Whole-Time Director of the Company. He has over 33 years of experience in Corporate HR Management, Administration, Corporate Communications, liasoning and Corporate Procurements.

Age:

55 Years

Qualification :

B.Com (FY)

Directorship in other Companies:

1. Oswal Organiser Pvt. Ltd.

Memberships/Chairmanships of Committees in other Public Companies:

NIL

Shareholding in the Company :

25,06,435 Shares

Relationship with other Directors of the Company: Shri Jayanti M. Sanghvi is the brother of Shri Prakash M. Sanghvi and Shri Shanti M. Sanghvi, Directors of the Company. No other Director is related to him.

PROFILE OF SHRI SHANTI M. SANGHVI, WHOLE-TIME DIRECTOR

Shri Shanti M. Sanghvi is the promoter of the Company and Executive Director on the Board of the Company. He is holding the position of the Whole-Time Director of the Company. He has over 31 years of experience in Corporate Relations, Business Development and Customer management.

Age:

49 Years

Qualification:

Under Graduate

Directorship in other Companies:

NIL

Memberships/Chairmanships of Committees in other Public Companies:

NIL

Shareholding in the Company:

15,86,995 Shares

Relationship with other Directors of the Company: Shri Shanti M. Sanghvi is the brother of Shri Prakash M. Sanghvi and Shri Jayanti M. Sanghvi, Directors of the Company. No other Director is related to him.

PROFILE OF SHRI P. M. MEHTA, INDEPENDENT DIRECTOR

Shri P.M. Mehta is an Independent Non-Executive Director on the Board of the Company.

Shri P. M. Mehta has vast experience in engineering industry, having spent his entire career in the leading engineering corporate M/s. Larsen & Toubro Ltd. He was an Executive Director on the Board of Larsen & Toubro Ltd 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 businesses.

Age:
74 Years

Qualification:
B. E. (Mechanical)

Directorship in other Companies:
NIL

Memberships/Chairmanships of Committees in other Public Companies:
NIL

Shareholding in the Company:
15000 Equity Shares

Relationship with other Directors of the Company:
Nil

Registered Office:
17, Rajmugat Society,
Naranpura Char Rasta,
Naranpura, Ahmedabad - 380 013

Date: June 25, 2013

By the Order of the Board

Virag Joshi
Company Secretary

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Regd. Office : 17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad – 380013, Gujarat

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Hall.

Full Name of Shareholder (BLOCK LETTERS) _____

No. of Shares held _____

Client ID / Folio No.

--

I hereby record my presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company held at the Conference Hall of "The Ahmedabad Textile Mills Association, Near "Gurjari", Ashram Road, Ahmedabad – 380009 on Monday 12th August, 2013 at 10.00 a.m.

Signature of the Shareholder

Note: Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.



Regd. Office : 17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad – 380013, Gujarat

PROXY SLIP

Client id / Folio No:

No. of Shares held:

I / We _____ of _____ in the District of _____

_____ being a Member/Members of the above named Company, hereby appoint

Shri _____ of _____ in the District of _____ or failing him

Shri _____ of _____ in the District of _____ or failing him

Shri _____ of _____ in the District of _____ as

my/our proxy to vote for me/us on my/our behalf at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company to be held at the Conference Hall of "The Ahmedabad Textiles Mills Association", Near "Gurjari", Ashram Road, Ahmedabad – 380009 on Monday 12th August, 2013 at 10.00 a.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

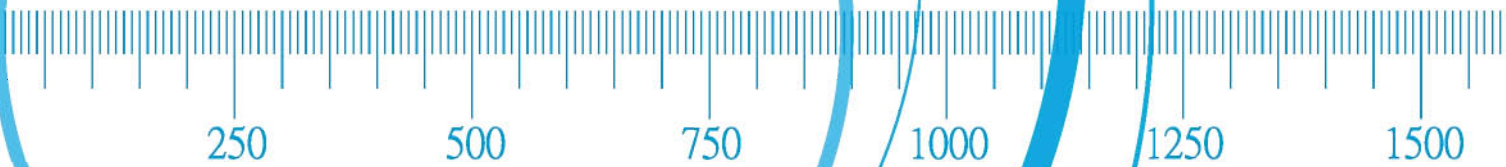
Signature _____

Affix
₹ 1
Revenue
Stamp Here

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



expanding the realm
growing with measured steps



DISCLAIMER

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussions of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Growth comes easy when circumstances are favourable. But the mettle of true class is tested only by the trying times. Defying the global slowdown, Ratnamani registered a historic growth.

An all time high profitability growth of over 44%. That too, when business mood was dampened by economic slowdown! It was indeed a historic year. But scripting history never comes easy.

With externalities unfavourable for growth, we looked within. Immaculately evaluating every strategic decision, we measured every step. This augmented our efficiency. And the eventual result was a history. With this history, Ratnamani, even in the face of global challenges, continues to do what we do the best. Expanding our realm of growth!

500

750

1000

1250

Taking progress to diverse spheres

Channeling the Nation's growth

Ratnamani has been a constant partner of progress. Not just for the Nation, but across the globe. We have been the underlying force that runs across the global economy – fueling growth & pumping progress.

■ Overview

Manufacturing Stainless Steel Tubes and Pipes and Carbon Steel Pipes, since 1983, Ratnamani has grown to be a multi-product and a globally present Public Limited Company, serving the tubing and piping solutions for diverse sectors.

■ Applications

Oil & Gas, Petrochemicals & Refineries and Power Industries – like Thermal, Nuclear which are the growth engines of the nation, are some of the critical industries our Stainless Steel segment serves. Other sectors we serve are no less critical, like the Fertilizer & Chemical Industries, Paper & Pulp, LNG Terminals, Desalination Plants, Aerospace and Atomic Energy.

Oil & Gas, Power, Water and Sewerage Industries are the major sectors where our Carbon Steel Pipes find its applications.

■ Advantages

Quality, Range, Service, Superior Price-Value and Ease of Availability are the inimitable attributes with which Ratnamani is associated across the world.

■ Presence

Across the five continents, to most of its countries, we export as well as serve to our customers' delight. This has been made possible by our representatives and agents positioned globally.

■ Infrastructure

Keeping pace with the ever changing innovation in technology is an essential for fueling a constant progress. At all the manufacturing facilities of Ratnamani, we not only deploy the globally proven and accepted technologies, but we also lay great emphasis on continuously upgrading and adopting inventive measures to efficiently and effectively contribute to the progress globally.

■ Manufacturing Facilities

Chhatral | Indrad | Kutch

■ Team

Our motivated manpower, who realizes our vision of partnering global progress, is the irreplaceable asset of Ratnamani. We draw immense strength from the technical excellence and expertise that our personnel bring along.

Leader in Stainless Steel Tubes and Pipes and Sixth largest Carbon Steel Pipes manufacturer in the country

Certifications and Approvals

Vision

- To attain global excellence by continuously developing and providing the best quality products and services. Exceeding expectations of our customers with innovative products & applications
- Building value for all our stakeholders
- To be a value driven organization that is a benchmark in corporate citizenship

Mission

- To be a leading pipe and tube manufacturing Company in stainless steel and carbon steel industry

Product Mix

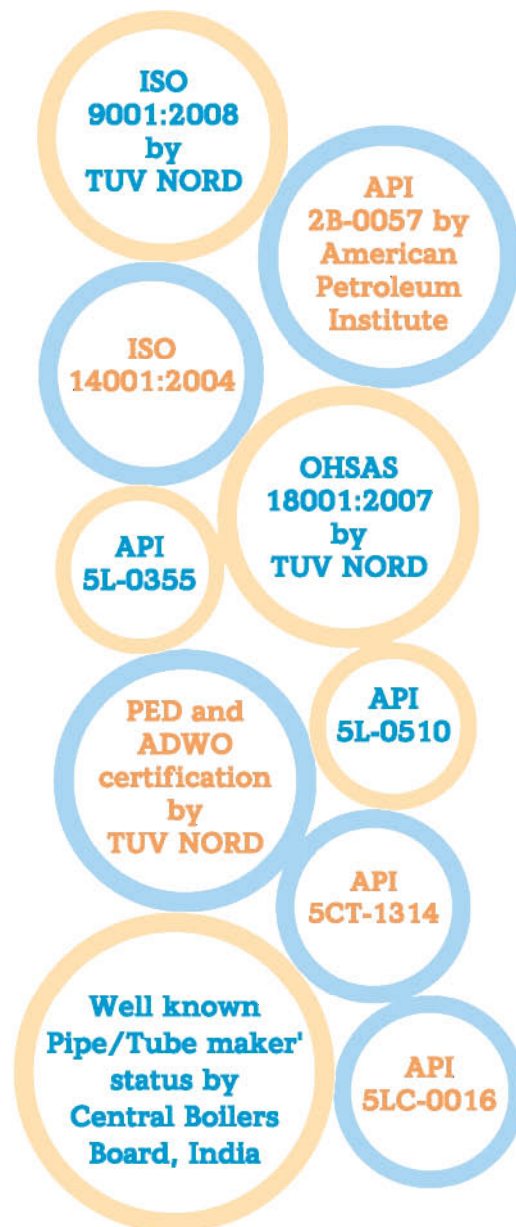
Stainless Steel Tubes & Pipes

- Stainless Steel Seamless Tubes and Pipes
- Stainless Steel Welded Tubes and Pipes

Carbon Steel Pipes

- High Frequency - Electric Resistance Welded (HF-ERW) Pipes
- Submerged Arc Welded (SAW) Pipes, like HSAW and LSAW Pipes

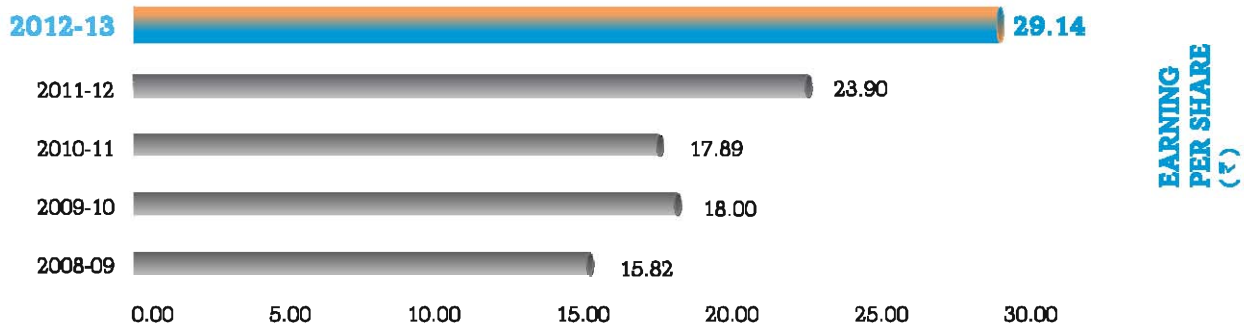
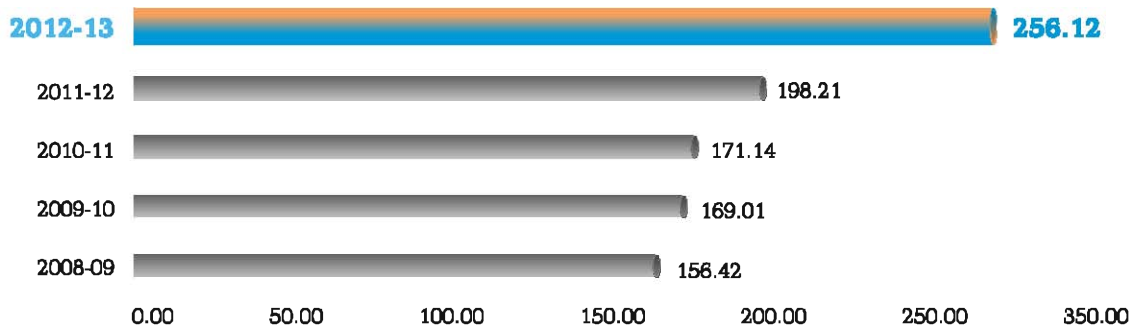
External and Internal Coating Solutions

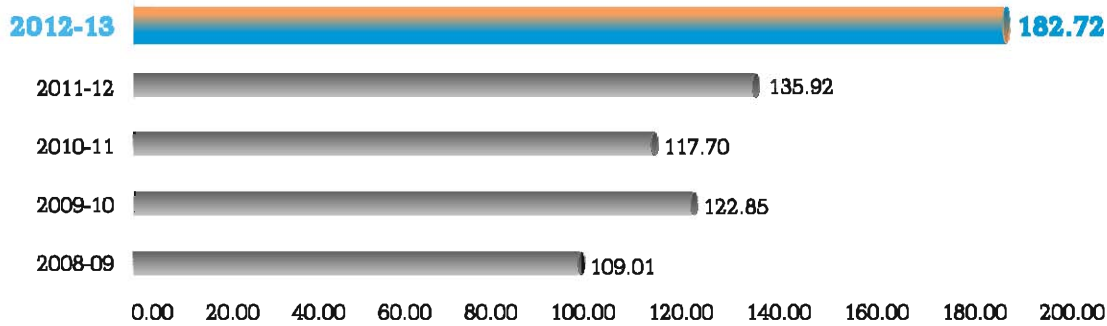


Growing into a different realm

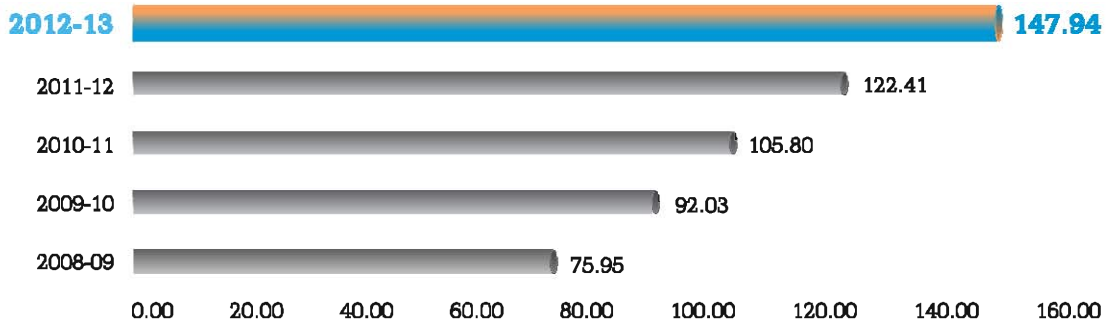
Growing with profitability

At Ratnamani, we encourage taking different stands, and looking at a problem from diverse perspectives. This has endowed upon us the exceptional quality of seeing the holistic nature of things. So, when our growth was curbed by the gloomy external environment, our eyes fell upon a growth opportunity that lied well within our reach. We looked within, took measured steps. And we grew on an unconventional path. A historic Profitability Growth of 44.15%, was indeed unconventional. Ratnamani definitely grew, but towards a different realm.

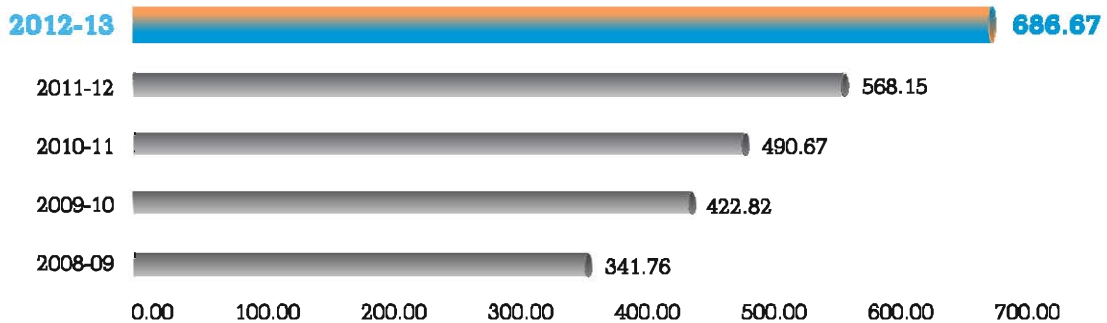




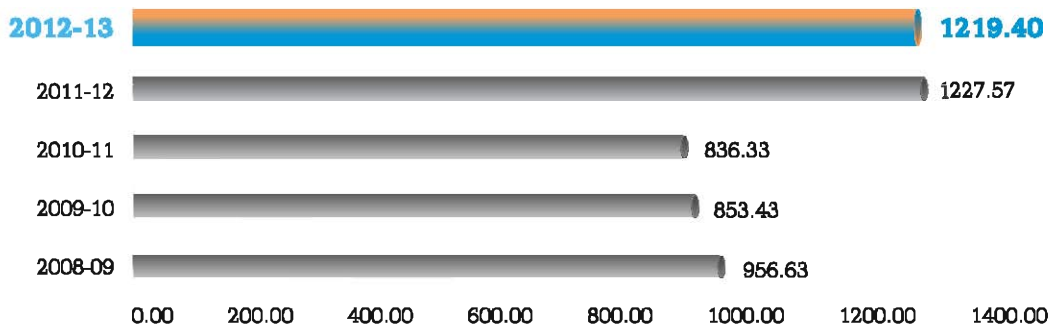
CASH GENERATED FROM OPERATIONS
(₹ In Crores)



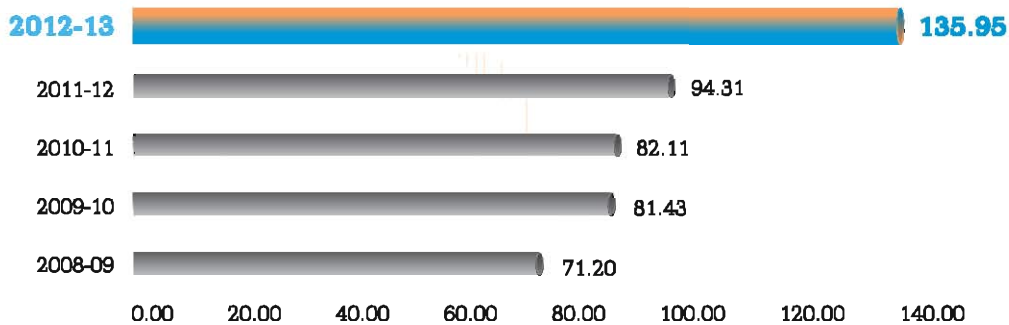
BOOK VALUE PER SHARE
(₹)



NET WORTH
(₹ In Crores)



REVENUE (NET)
(₹ In Crores)



PAT
(₹ in Crores)

Chairman's Message

Dear Shareholders,

It gives me immense pleasure to inform you that your Company has persisted in maintaining the growth momentum despite the challenges, and has been successful in augmenting profit and increasing stakeholders' value.

The year 2012-13 has witnessed slow growth, very mild demand pick up with slim hopes for improvements. Notwithstanding all these, your Company could maintain its top line, and the profitability grew by a



Prakash Sanghvi
Chairman and Managing Director

[We always believe in, and will be passionate for, "Prosperity through Performance".]

Dear Shareholders,

It gives me immense pleasure to inform you that your Company has persisted in maintaining the growth momentum despite the challenges, and has been successful in augmenting profit and increasing stakeholders' value.

The year 2012-13 has witnessed slow growth, very mild demand pick up with slim hopes for improvements. Notwithstanding all these, your Company could maintain its top line, and the profitability grew by a very healthy 44.15% over previous year, achieving a Profit after tax of ₹ 135.95 crores. This is an all-time high in the history of the Company so far. The EBIDTA and EPS have also grown in tandem with this historic growth.

It gives me great pleasure to announce that the Board has recommended dividend of ₹ 4.00 per Equity Share on a face value of ₹ 2.00 per share for the year 2012-13. The corresponding dividend during the previous year stood at ₹ 3.00 per Equity Share.

I am delighted to share with you that your Company has successfully bagged its first export order for the supply of Super Duplex S.S. Welded & Seamless Tubes last year. This augurs well for our organization as we, now, would like to explore this opportunity to get more such orders from world over.

We witnessed the first dispatch of our indigenously manufactured moderator heat exchanger tubes for nuclear power project. It, being an 'import substitute' and being manufactured for the first time in India, augurs well for the organization; as we would like to take further strides in supplying critical tubes to nuclear sector within the country and overseas.

The new project which is being put up at Indrad works to manufacture Stainless Steel Seamless tubes has already commenced part production of quality tubes.

This project is expected to be fully commissioned by March 2014. We have continued to ramp up our global footprints across 5 continents, covering more than 20 countries.

Being customer centric, and putting ahead our customers' business, has always been the core focus of Ratnamani, and will always continue to be so.

Your Company is constantly striving to focus on promising sectors and economies. Your Company's ability to align growth strategy with the changing times has made it commendable and successful. We always believe in, and will be passionate for, **"Prosperity through Performance"**.

For this splendid success, I express my sincere appreciation to both the Central and State Governments and Ministries for their kind support. I thank my fellow Board Members for their valuable advice and kind support. I also extend my sincere gratitude to our customers, suppliers and all other stakeholders for their continued support. I acknowledge the dedication and commitment shown by our team members in realising your Company's objectives. I am thankful to our shareholders for the support and confidence they have reposed in us. Together we can and we will prosper.



Expanding the realm we serve Diversifying our product range

Range is just one of the attributes that makes us distinct. Being a leading manufacturer of Stainless Steel Tubes and Pipes and Carbon Steel Pipes, we serve to various major sectors having diverse range of needs. This demands from us great variance in quality standards, types of services we render and the time and ease of product availability and we have been meeting our client's precise needs with consistency. And globally, Ratnamani is today renowned for its Range, Quality,

Service, Superior Price-Value and Availability. Ratnamani is one of the select global companies with great deft in manufacturing extensive range of Seamless and Welded Stainless Steel Tubes and Pipes. And with the demand for the Carbon Steel Pipes on the rise, coupled with our aptitude for manufacturing a wide range of Carbon Steel Pipes, Ratnamani is truly expanding its realm of offerings.





Pursuing the realm of perfection

Standardizing our quality

Quality is integral to our culture. But it didn't come easy. Keeping a constant eye on the precise quality requirements of all our customers' and persistently meeting their quality need, has helped us earn this benchmark. We continuously focus on our customers' expectations and their quality requirements, monitor it, then measure it and employ the data for enhancement of our performance.

At Ratnamani, we also prudently invest in quality enhancement facilities, testing equipments and essential infrastructures from time to time. All of these put together has enabled us to benchmark our products and processes with international standards and certifications. Besides, Ratnamani's products have been approved by leading engineering industries and many other entities globally.

Reaching out to the global realm

Strengthening our delivery

Delivering on the dot is a reflection of a robust delivery. And serving the industries, where time bound delivery makes significant difference in cost and viability of projects, makes Ratnamani strengthen our reach with inventiveness and planned investment. We particularly plan our customers' requirements, and practice ardently our principle of time

bound delivery. Be it global or domestic. This has won us, not only customers' delight from across the world, but also repeat orders from all our customers.



Exploring the realm of possibilities

Creating a collective consciousness of cost

Cost casts its impact on the bottom-line of every company. And in this trying time of global slowdown, cost consciousness matters the most. Despite the unfavourable circumstances, Ratnamani managed a healthy margin and profitability through better management of cost.

Encouraging cost consciousness across all departments and at all levels, we enhanced the efficiency of our operations and processes. And the ultimate result was a fruitful growth in profitability, which stood at its all time high.



Building a realm for collective growth

Binding forces to surge ahead

At the core of growth lies a centrifugal force that pulls all people together to function as one. Ratnamani's consistent growth is a testimony to this simple fact. Every individual at Ratnamani is an indivisible force, and we encourage the convergence of our forces to function as a

team, aspire as one, work as a collective force, and achieve as a Group.

It is this collective growth that has given Ratnamani a strong financial ground to stand on, and an expansive list of satisfied customers.



Management Discussion and Analysis

Industrial Scenario

The global economy continued to struggle in 2012-13 even after four years post eruption of the global financial crisis and has witnessed growth estimates cut, transfer of economic power from developed to emerging economies, political and economic turmoil, sovereign debt crisis in the Eurozone which has impacted the business across the globe and all these factors has contributed further towards slowing down of recovery across the globe. The global economic growth is expected to strengthen gradually through 2013, averaging 3.5% on an annual basis. A further strengthening to 4.1% is projected for 2014, assuming recovery takes a firm hold in the Euro zone economy.

The Indian economy has also experienced significant slowdown during the year under review because of external and internal factors. The performance of advanced economies continues to weigh on India's growth story coupled with domestic issues. At the end of the fiscal year, the actual growth rate was at around 5.0% which was much lower than what was projected. It is expected that the Indian economy will grow moderately between 5.4% to 5.8% in 2013-14.

The pipeline infrastructure is crucial for growth for any economy and particularly for countries like India, considering its vast geographical area and lower pipeline

penetration level. Indian pipe industry is catering to major demand of the regions like Middle East, US and Europe among others due to its location and global accreditations. The year under review was challenging for the Indian pipe industry on account of excess capacities being developed by the companies over the years vis-a-vis demand, higher input and finance costs which ultimately lead to pressure on margins. The situation is expected to continue in coming years also and may be there for one or two more years. However, it is expected that the demand for the Indian pipe industry will improve and remain healthy over the long term on the back of the growing demand from infrastructure projects, higher oil exploration and production activities, energy requirements, overall development etc.

Similarly, investment in refineries, petrochemicals and power sectors is expected to pick up once again in next 2 or 3 years' time, looking to increase in demand and current deficit in availability of power. Fertiliser industry is also one where investment within the country has to start sooner than later to reduce dependence on imports. All these sectors are big users of SS family tubular products.

Your Company's performance in the year 2012-13 was one of its best so far despite all the negatives. However, the currently existing market conditions are not very good and any significant improvement is not expected to happen in near future within the country. Though your Company is having a healthy order booking position and all efforts are being made to see that the position continues to remain better than industry average, a lot will depend on the steps being taken by the Central Government on kick starting the economy.

Marketing Scenario

Stainless Steel Division

The sectors which contributed to the major revenue chunk of the Stainless Steel Division are Oil & Gas, Petrochemicals & Refineries; Power, namely Thermal and Nuclear and other sectors, like Water Desalination Plants, Fertilizer and Chemical Industries, Paper & Pulp sector, LNG Terminals, Aerospace, Defense, Atomic Energy, etc. Majority of these sectors have experienced demand slow down, but your Company's strong presence in critical application products, helped it maintain its market leadership position. It is expected that there will be enough demand to keep the capacities for high end application products fully engaged, however, the margins may be under pressure.

■ Oil & Gas/Petrochemical & Refineries Sector

This sector continued to suffer from mismatch between demand and supply, wherein the supply gap is being imported to cater to the domestic demand. This sector experienced various challenges, considering the overall scenario worldwide like fewer projects getting implemented, pressure on pricing and delay in project implementations.

■ Power Sector

The scenario for the sunrise sector i.e. power sector in India saw many projects being put on hold for various reasons such as environmental clearances, non-availability of coal supply agreements, rise in coal prices etc. Internationally, power sector, particularly thermal power, showed slow pace.

■ Nuclear Power

The prospects for this sector seems promising in the longer run and your Company is poised to cater to maximum demand of this sector.

■ Water Desalination

The Indian water desalination market is the promising one in the longer run on the back of increasing governmental support, industrialisation and rising demand for fresh water .

■ Fertilizer

This sector also continues to be one with fundamentally very strong potential and all efforts are being made to cater to maximum demand of this sector.

Carbon Steel & Coating Division

The sectors which contributed to the major revenue chunk of this division are Oil and Gas, Water, Sewerage and Power.

The domestic demand contributed major chunk in overall revenue basket of this division. The domestic and global markets continued to suffer from excessive capacity, fierce competition and resultant low margins. Further imposition of duties by some countries on imports of some grade of pipes and lack of major big projects being implemented worldwide restrained the revenue stream from exports.

With its range of products, the Company is making efforts to venture into untapped markets and sectors, building new relations, strengthen its marketing, diversify into contracting jobs with a view to have strong presence and visibility.

Environment & Safety

Ratnamani is committed to environment, health & safety and to prevent pollution, injury & ill health through continual improvement in processes, practices & EHS awareness.

Internal Control Systems

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.

Outlook

Your Company has been preferred supplier for many leading companies and was involved in several national and international projects. It has earned the customers' preference. The Company has emerged as a one stop source of pipes and tubes for an array of industrial applications. The Company's fortunes are linked to capex in industries like Refineries, Petrochemicals, Power, Fertiliser, etc. where investment on continuous basis has been there within the country and internationally also. We expect regular demand from these sectors in future also. However, the performance will depend on the overall economic condition.

Industrial Relations And Human Resources

As the Company continues to grow, the focus has been on enhancing morale and capabilities of employees. We continue to provide orientation and training for the development of soft and hard skills. Our industrial relations remained cordial at all organizational levels and work places.



Cautionary Statement

The statement given in this report, describing the Company's objectives, estimates and expectations and future plans may be construed as forward looking statements within the meaning of applicable laws and/or regulations. Actual performance may differ materially from those either expressed or implied. Important factors that could affect the working of the Company include economic conditions, domestic as well as international, affecting demand and price conditions; raw material prices, interest costs, changes in the government policies affecting investments, changes in the

government regulations tax laws, and other statutes, high prices of petro products affecting energy and transportation cost among others. The information and opinion expressed are forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The management will not be liable for any loss, which may arise, as a result of any action taken on the basis of the information contained herein. The information contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other persons without the express written permission of the Company

Board of Directors

Dr. Vinod M. Agrawal

is an Independent non-executive Director on the Board of the Company with soft business skills.

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 Corporate Finance. Shri Anjaria is an MBA from IIM, Ahmedabad and has worked with Citibank and UTI.

Shri Shanti M. Sanghvi

is the promoter of the Company and Executive Director on the Board of the Company. He has over 31 years of experience in Corporate Relations, Business Development and Customer Management. His excellent management skills contributed to business growth and development of the Company.



Shri Prakash 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 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 stakeholders' value.

Shri Jayanti M. Sanghvi

is the promoter of the Company and Executive Director on the Board of the Company. He has over 33 years of experience in Corporate HR Management, Administration, Corporate Communications, Liasoning and Corporate Procurements. His strong management skills and ability to nurture talents and zeal for efficiency resulted into sustainable growth and Company's global footprints.

Shri Pravinchandra M. Mehta

is an Independent Non-Executive Director on the Board of the Company. Mr. Mehta has vast experience in engineering industry, having spent his entire career in the leading engineering corporate M/s. Larsen & Toubro Ltd. He was an Executive Director on the Board of Larsen & Toubro Ltd and was in-charge of nine different business units located across the country. He is extensively experienced in the area of Engineering, Technologies and international businesses.







Safety, Environment and CSR

■ Environment & Safety

Ratnamani is committed to environment, health & safety, and to prevent pollution, injury & ill-health through continual improvement in processes, practices & EHS awareness.

■ Green Energy

Ratnamani uses Green Energy at all of its locations by making significant investment in windmill at various locations across Gujarat.

■ CSR

Ratnamani contributes to the society by contributing in areas that concerns community, health and education, primarily for the deprived segment. We encourage our employees to participate in various events for greater social cause that includes tree plantation and blood donation camps among others.

Converging to expand our realm of growth



Statutory Section

29th ANNUAL GENERAL MEETING

NOTICE for the Twenty-Ninth Annual General Meeting of the Members of RATNAMANI METALS & TUBES LTD. to be held on Monday, 12th August, 2013 at 10.00 a.m. at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari" Ashram Road, Ahmedabad - 380009 is sent herewith separately.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 29th Annual Report with the Audited Financial Statements of the Company for the year ended 31st March 2013.

Financial Results at a glance

	2012-2013	(₹ in lacs) 2011-2012
Revenue from Operations (Net)	120112.75	122174.02
Profit before Depreciation and Tax	24398.38	18165.26
Less : Depreciation/amortisation	4247.25	4249.15
Profit Before Tax (PBT)	20151.13	13916.11
Less: Tax Expense (including Deferred Tax Expense)	6556.13	4484.79
Profit After Tax and before Prior period items	13595.00	9431.32
Add: Prior period items	-	1712.87
Net Profit	13595.00	11144.19
Add: Balance brought forward from previous year	11713.18	7187.35
Amount available for appropriations	25308.18	18331.54
Appropriations		
General Reserve	6000.00	5000.00
Proposed Dividend with Dividend Tax	2172.15	1618.36
Balance carried to Balance Sheet	17136.03	11713.18
Total	25308.18	18331.54
Earning Per Equity Share (EPS) of face value of ₹ 2 each (Diluted)	₹ 29.14	₹ 23.90

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 4/- per Equity Share having face value of ₹ 2/- each for the year ended 31st March 2013 (previous year ₹ 3 per Equity Share), for consideration of the Members at the ensuing Annual General Meeting. Total outgo on this account including tax thereon will be ₹ 2172.15 lacs.

TRANSFER TO GENERAL RESERVE

A sum of ₹ 6000 lacs has been transferred to the General Reserve of the Company for the financial year 2012-13.

REVIEW OF OPERATIONS

General

The year under review witnessed slowdown in growth and more particularly, industrial growth, global economic and financial conditions remained troubled. Investment and saving rates have come down. The implementation of projects has slowed. Inflation continued to remain high. The current account deficit also remained a source of concern. Further, the slow pace of growth has depressed profitability, stretched balance sheets, and weakened sentiment and expectations.

Operations

Your Company manufactures Stainless Steel Tubes & Pipes and Carbon Steel Pipes in wide size ranges for wide spectrum of applications in various industries including Oil & Gas explorations, Refineries & Petrochemicals, Power industries, Chemical, Fertilizer, Desalination, Atomic energy, Water & Sewerage, Paper & Pulp industries etc. The year under review witnessed tremendous downward growth in the key sectors i.e. Oil & Gas and Power due to various reasons. The scenario with regard to the said sectors was not different worldwide, as there was a severe pressure in other part of the globe too. There were severe constraints in the projects being implemented in time, not only in India but elsewhere in the world. The scenario for the sunrise sector, i.e. Power sector in India has gone through very bad phase and the Company saw many projects being put on hold for various reasons such as environmental clearances, non-availability of coal supply agreement etc. Again, due to the slowdown in the Europe, there was a lot of pressure on pricing. The Company undertook all business initiatives to optimise its capacity utilisation. There has been optimum capacity utilisation in SS division vis-a-vis moderate in CS division on account of fierce competition and overall scenario.

Financial Performance

Despite the challenging scenario, your Company continued to be successful and has performed well; the performance has established a new milestone for the Company. The major factors attributable to this include strong business initiatives strengthened with the sound domain knowledge, consistent product quality aligned to customer expectations, product mix, captive skills partnered with cost consciousness and persistent focus on efficiencies.

During the year 2012-13, revenues from operations were ₹ 120112.75 lacs, though reduced marginally but PBT increased by 44.80% from ₹ 13916.11 lacs to ₹ 20151.13 lacs, and profit after tax surged 44.15% from ₹ 9431.32 lacs to ₹ 13595.00 lacs. EPS went up by 21.92% from ₹ 23.90 to ₹ 29.14, strengthening shareholder's value.

MANAGEMENT DISCUSSION & ANALYSIS

A management discussion and analysis report is annexed and forms an integral part of the annual report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as per Annexure 'A' forming part of this Report.

The Company has commissioned windmills at various places for "Green Energy Generation". Thus contributing in every way possible towards greener and cleaner earth.

PARTICULARS OF EMPLOYEES

The particulars of employees under the Companies (Particulars of Employees) Rules, 1975 as amended up to date, which is required to be included in the Directors' Report pursuant to Section 217 (2A) of the Companies Act, 1956 is enclosed herewith as Annexure 'B' forming part of this Report.

CORPORATE GOVERNANCE REPORT

Your Company has been practising the principles of good Corporate Governance over the years. Your Company has complied with the conditions of Corporate Governance as contained in clause 49 of the listing agreement.

The Board has formed 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 received CEO/CFO Certification under sub-clause V of the Clause 49 of the Listing Agreement.

The Company has formed Code of Conduct for prevention of Insider Trading as required by SEBI (Prohibition of Insider Trading) Regulations 1992 as amended from time to time. The code ensures prevention of dealing in the Company's shares by persons having access to unpublished price sensitive information.

A separate report on Corporate Governance is enclosed as part of this Annual Report and marked as Annexure 'C'. Requisite certificate from M/s M. C. Gupta & Co., Practising Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreement is annexed to the report of Corporate Governance.

EMPLOYEES STOCK OPTION SCHEME (ESOS-2006)

As required by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, detailed disclosure is enclosed as per Annexure 'D' and forms part of this report.

DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and Article 170 of the Articles of Association of the Company, Shri P. M. Mehta is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Shri P. M. Mehta is not related to any Director of the Company.

The members of the Company in the Annual General Meeting held on 15th September 2009 had appointed Shri Prakash M. Sanghvi as Managing Director and Shri Jayanti M. Sanghvi & Shri Shanti M. Sanghvi as Whole-time Directors of the Company for a period of five years, with effect from 1st November 2008. Their current term of appointment is due to expire on 31st October 2013. The Board at its meeting held on 25th June 2013, approved their re-appointment for a further period of five years w.e.f. 1st November 2013. It is proposed to re-appoint Shri Prakash M. Sanghvi as the Managing Director and Shri Jayanti M. Sanghvi & Shri Shanti M. Sanghvi as Whole-time Directors of the Company for a further period of five years commencing from 1st November 2013.

Shri Prakash M. Sanghvi, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi are brothers and related to each other.

The notice convening the Annual General Meeting includes the proposals for the above re-appointments.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

The Board of Directors hereby states and confirms:

- a. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanations relating to material departures;

- b. that the Directors have 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 at the end of the financial year and of the profits of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the Annual Accounts on a 'going concern' basis.

CREDIT RATING

CRISIL has reaffirmed CRISIL AA- (AA minus) rating for the Company's long-term borrowings and CRISIL A1+ (A1 plus) for its short-term borrowings.

FIXED DEPOSITS

Your Company has not invited or accepted any deposits from the shareholders and public during the year within the meaning of Section 58A of the Companies Act, 1956.

STATUTORY AUDITORS

M/s. Mehta Lodha & Co. and M/s. S. R. Batliboi & Associates LLP, Joint Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the members.

The Company has received letters from both of them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Notes on annual accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDITORS

In pursuance of Section 233B of the Companies Act, 1956 and an Order no. F.No.52/26/CAB-2010 dated 03.05.2011 issued by Cost Audit Branch, Ministry of Corporate Affairs, the Board of Directors at its meeting held on 29th May 2012, based on the Audit Committee recommendations, appointed M/s. N.D. Birla & Co., Cost Accountants, Ahmedabad as a Cost Auditors to conduct the cost audit of "Steel Tubes & Pipes Products" for the financial year 2012-13. The said appointment has been approved by the Central Government.

The Cost Audit Report for the financial year 2011-12 was filed with the Central Government on 18/12/2012 (due date for filing: 28/02/2013).

Based on the Audit Committee recommendations, Board of Directors has re-appointed M/s. N.D. Birla & Co., Cost Accountants, Ahmedabad as a Cost Auditors to conduct the cost audit of the products as stated above for the financial year 2013-14 subject to approval of the Central Government.

LISTING AND DEPOSITORY SYSTEM

Equity Shares of your Company continue to be listed on BSE Ltd. and National Stock Exchange of India Ltd. Listing Fees for the year 2013-14 have been paid to them.

As the members are aware the Equity Shares of the Company are compulsorily tradable in the dematerialized form by all the investors. As on March 31, 2013, 97.91% of the Company's total paid up capital of 4,64,16,509 Equity Shares is in dematerialised form. Members holding shares in physical form are requested to convert their holding in dematerialised form to avail various benefits offered by the Depository system.

APPRECIATION

Your Directors wish to place on record their sincere appreciation for the commitment and dedication of the Company's team members by virtue of which, this performance has been made possible. Your Directors are thankful to the investors for their continued trust and support in the Company.

Your Directors wish to place on record their gratitude for the valuable guidance and support from Government of India, State Governments, Local Authorities, Financial Institutions, Banks, Suppliers and other stakeholders.

Your Directors commend the confidence and loyalty of the customers whose delight will always be the Company's core focus.

Your Directors look forward to the continued support of all stakeholders for persistently achieving the growth realm.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : June 25, 2013

Prakash M. Sanghvi
Chairman and Managing Director

ANNEXURE: A

ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

(A) Conservation of Energy:

(a) Energy Conservation measures taken

The Company recognises the importance of the energy being the scarce resource, its conservation, efficiency and its impact on the overall growth of the Company. The Power and Fuel being the key requirements for ensuring continual manufacturing process and thereby optimising the revenue stream. Considering that the Company is constantly striving to have the high degree of optimisation, conservation of energy, energy efficiency and absorption of technology.

The Company has its CS Division at Chhatral, SS division at Indrad and CS and SS Division at Kutch. The Company has commissioned windmills at various places for "Green Energy Generation" being the renewable energy, which acts as a natural hedge against the energy cost of other non-renewable energy resources. The list of major initiatives taken by the Company during the year under review is given herein under:

1. It has installed (a) VFD in Hoist motor operation of crane, AC VF drive in few of its cranes, machines. (b) 3MT capacity Hoist at X-ray room for higher thickness pipe x-ray process. (c) Hydro pressure testing machine 3 nos. for above 70" pipe hydro process. (d) Commissioned SAF-I where in energy saving will be achieved by installed Regenerative Burners.
2. It has acquired/procured (a) EOT cranes operating on energy efficient drives. (b) New Pilger mills with full automation through VFD and Servo drives mechanism.
3. It has designed and fabricated new punch for 12" pipe forming on 1500 MT pipe forming press. It has also fabricated new heavy duty ram with punch for pre bending press for higher thickness pipe forming work.
4. It has reduced working hours/day of Chiller compressor by setting temperature parameters.

Some other general initiatives taken, being, the replacement of 250 watt Metal Halide Lamp with 90 watt LED based lamp at its new plant, replacement of 250 watt lamps with 150 watt lamps at its Plate Yards and Pipe Yards and maintenance of unity power factor resulting into the maximum demand being decreased.

The Company constantly monitors its operations to enhance the energy conservations & efficiency.

- (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy;

No separate Accounts are maintained.

- (c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

Energy saving, reduction in energy consumption and savings/rebate on cost.

- (d) Total energy consumption and energy consumption per unit of production as per Form 'A':

Not Applicable

(B) Technology Absorption

- (e) Efforts made in technology absorption as per Form B Form B enclosed.

(C) Foreign Exchange Earnings and Outgo

- (f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

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 maximum global requirements. The Company has its clients in more than 20 countries across the world.

- (g) Total foreign exchange used and earned:

Particulars	(₹ in Lacs)	
	Current year 2012-13	Previous year 2011-12
Foreign Exchange Earning (FOB)	₹ 34,376.26	₹ 28,858.70
Foreign Exchange Outgo	₹ 1,729.46	₹ 2,610.50

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R&D)

- Specific areas in which R & D is carried out by the Company:
 - Manufacturing of smaller diameter and higher thickness pipes.
 - Developed and executed automatic system for pipe end coupling welding & fixing.
- Benefits derived as a result of the above R&D:
 - Better Products
 - Fast & quality output due to high automation.
- Future Plan of action:

The Company would continue research and development work in manufacturing of smaller diameter and higher thickness pipes.
- Expenditure on R & D:

No separate records of expenditure is maintained.

Technology Absorption, Adaptation and Innovation

- Efforts, in brief made towards technology absorption, adaption and innovation:
 - Highly energy efficient equipment, latest up gradation software system for operating the equipment and with automatisations.
 - Regenerative burners have been installed for roller hearth furnace SAF-I that uses hot flue gases to heat the ingoing AIR for higher efficiency of CNG burners.
- Benefits derived as a result of the above efforts:

Saving of time, higher efficiency

(D) Information on Pollution Control Measures forming part of Directors' Report

Installed Oil skimmer machine on Hydro Pressure Testing Machine 2 nos. to minimize water pollution & get clean water for hydro testing.

The Company is in the process of water harvesting at Kutch works. The Company plans to construct water canal and water storage pond in which the rainwater can be stored for approximately 7.5 million litres at a time. This water would be used for domestic, industrial and gardening purpose.

The Company monitors and maintains environment and pollution control parameters at its plant site. The Company is maintaining proper effluent treatment plants and the treated water gets used for plantation of trees.

ANNEXURE: B

INFORMATION AS PER PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED UP TO DATE

Sr. No	Name	Age Year	Qualification	Date of Employment	Designation/ Nature of Duties	Remuneration (₹ in Lacs)	Experience (in Years)	Last Employment held
1	Shri Prakash M. Sanghvi	57	Matriculation	12/06/89	Chairman & Managing Director	₹ 1038.18	36	Director, Ratnamani Tube Ind. Ltd.
2	Shri Jayanti M. Sanghvi	55	B.Com (FY)	12/06/89	Whole-time Director	₹ 629.56	33	Director, Ratnamani Tube Ind. Ltd.
3	Shri Shanti M. Sanghvi	49	Under Graduate	01/11/98	Whole-time Director	₹ 486.79	31	Director, Ratnamani Engineering Ltd. and Ratnamani Fine Tubes Pvt. Ltd.

NOTES:

1. Remuneration includes Salary, Company's contribution to Provident and Superannuation Funds, taxable value of Perquisites and Commission.
2. Shri Prakash M. Sanghvi, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi are related to each other. They are not related to any other Director of the Company.
3. The services of all the above employees are contractual and are for a term of five years.

ANNEXURE: C

CORPORATE GOVERNANCE REPORT

1) CORPORATE GOVERNANCE

Corporate governance refers to the set of systems, principles, processes, laws by which a Company is governed. Good corporate governance ensures taking into account interests of a wide range of constituencies, as well as of the communities within which the Company operates. Good Corporate Governance builds confidence and trust, which eventually leads to more stable, sustained and long-term partnership with investors and other stakeholders.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in optimising business performance through corporate governance. The Company's governance is committed to values being the transparency, integrity, accountability, self-discipline, respect and professionalism. The Company constantly endeavours to create and put in practice the procedures and systems, which are the best Corporate Governance thereby aiming at building the value for all its stakeholders and be benchmark in the Corporate Citizenship.

Your Company confirms the compliance of mandatory requirements of the Corporate Governance as stipulated under Clause 49 of Listing Agreement with Stock Exchanges, the details of which are given herein under:

2) BOARD OF DIRECTORS

The business of the Company is conducted under the directions of the Board. The Board forms strategy, 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 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 in overseeing the functional matters of the Company. 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 consist of balanced blend of Executive and Non-Executive Directors and represents the optimum combination of professionalism, knowledge and experience. Your Company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as Professionals/Business Executives and through their valuable experience.

The Executive Chairman heads the Board. The total strength of the Board of Directors of the Company is six Directors as on 31st March 2013 comprising three Executive Directors and three Non-Executive Directors.

The composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets the requirement of the Corporate Governance as stipulated under Clause 49 of Listing Agreement.

The details of composition of the Board as at 31.03.2013 and other information are given herein below:

Category	Name of the Director	Position	No. of other Directorships	Memberships/ Chairmanships of Committees		No. of Equity Shares held
				Membership	Chairmanship	
Promoter Executive	Shri P. M. Sanghvi	Chairman & Managing Director	1	9	6	3519768
	Shri J. M. Sanghvi	Whole-time Director	1	9	-	2506435
	Shri S. M. Sanghvi	Whole-time Director	-	2	-	1586995
Independent	Shri D. C. Anjaria	Director	5	9	7	9165
Non-Executive	Dr. V. M. Agrawal	Director	-	4	-	27500
	Shri P. M. Mehta	Director	-	4	2	15000

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 Clause 49 of the Listing Agreement) across all the Companies in which he is Director. The necessary disclosures regarding the Committee positions have been made by the Directors.

Directors' Attendance Record for the year ended 31st March, 2013

Name of the Director	No. of Board Meetings held during the period	No. of Board Meetings attended	Presence at the last AGM
Shri P. M. Sanghvi	4	4	Yes
Shri J. M. Sanghvi	4	4	Yes
Shri S. M. Sanghvi	4	4	Yes
Shri D. C. Anjaria	4	4	Yes
Dr. V. M. Agrawal	4	4	Yes
Shri P. M. Mehta	4	4	Yes

During the Financial Year 2012-13, four Board Meetings were held on 29th May 2012, 09th August 2012, 01st November 2012 and 31st January 2013 and the gap between two meetings did not exceed four months period.

Board Meetings, Board Committee Meetings and Procedures

The Board meets at least once in a quarter with a gap between two meetings not exceeding four months. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The meetings are usually held at the Company's offices.

The Agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is made available at the Board Meeting to enable the Members of the Board to take vital decisions. Senior Executives are invited to attend the Board Meetings as and when required.

The information as required under Annexure 1A to clause 49 of the Listing Agreement is being made available to the Board.

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

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

3) BOARD COMMITTEES

The Board has constituted various Committees including Audit Committee, Remuneration Committee, Shareholders/Investors Grievance Committee, Share Transfer Committee, Committee for Share Allotment under ESOS, Risk Management Committee, Kutch Project Review Committee, Cost reduction and Performance Improvement Committee. The Board constitutes additional Committees, from time to time, depending on the business needs. The details of the Committees are given herein below:

3.1. Audit Committee

Composition

The Board of Directors in its meeting held on 30th January 2001 constituted the Audit Committee. The Audit Committee comprise of two Non-Executive Independent Directors who are eminent professionals and one Executive Director. The Composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing agreement.

The members of the Audit Committee comprise of Shri D. C. Anjaria, an ex-banker and financial expert, who is the Chairman of the Committee, Dr. V. M. Agrawal, who is eminent professional and Shri Jayanti M. Sanghvi, who is Whole-time Director.

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee meetings were also attended by the representatives of the Statutory Auditors, Internal Auditors and the CFO of the Company.

Meetings and Attendance

During the year, four meetings of the Audit Committee were held on 28th May 2012, 08th August 2012, 31st October 2012 and 30th January 2013. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The following table summarises the attendance of the Committee members:

Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
Shri D. C. Anjaria	Independent Non-Executive	Chairman	4	4
Dr. V. M. Agrawal	Independent Non-Executive	Member	4	4
Shri J. M. Sanghvi	Promoter Executive	Member	4	4

Overall Attendance: 100%

The meetings of the Audit Committee during the year under review were held as per Clause 49 of the Listing Agreement. 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 in Clause 49 of the Listing Agreement and the committee inter-alia performs the following functions.

- a. To investigate any matter in relation to the items specified in Section 292A of the Companies Act, 1956, and as contained under Clause 49 of the Listing Agreement.
- b. Reviewing of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- c. Recommending the appointment of Statutory Auditors and fixation of their Audit Fee.
- d. Reviewing with Management the Annual Financial Statements and half-yearly and quarterly financial results before submission to the Board.
- e. Reviewing periodically the adequacy of the internal control systems.
- f. Discussions with Internal Auditors on any significant findings and follow up thereon.

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 advise.
- iv. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

3.2 Remuneration Committee

Composition

Pursuant to the provisions contained in Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges, Remuneration Committee of the Board was constituted on 23rd March 2002 to determine the Company's policy on specific remuneration packages for Executive Directors including their pension rights and compensation payment.

The members of the Remuneration Committee comprise of Shri D. C. Anjaria, an ex-banker and financial expert, who is the Chairman of the Committee and Dr. V. M. Agrawal and Shri P. M. Mehta, who are eminent professionals.

Meetings and Attendance

During the year, two meetings of the Remuneration Committee were held on 29th May 2012 and 19th March 2013. The Chairman of the remuneration Committee also attended the last Annual General Meeting of the Company.

Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
Shri D. C. Anjaria	Independent Non-Executive	Chairman	2	2
Dr. V. M. Agrawal	Independent Non-Executive	Member	2	2
Shri P. M. Mehta	Independent Non-Executive	Member	2	2*

*Including one meeting electronically attended

Overall attendance: 100%

Terms of reference

The Remuneration Committee is empowered to review and recommend to the Board of Directors, remuneration and commission of the Executive Directors of the Company in accordance with the guidelines laid down under the statute.

Remuneration Policy

The remuneration of Executive Directors is recommended by the Remuneration Committee after taking into consideration the financial position of the Company, trends in the industry, experience, past performance, remuneration paid to the Executive Directors and the interest of the Company and its shareholders.

The key components of the Company's Remuneration Policy are

- Compensation will be a major driver of performance.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.
- Compensation will be competitive and benchmarked with group of companies in the Industry.

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 Directors for attending the meetings.

a. Details of Remuneration/Sitting fees of Directors

The details of Remunerations/Sitting fees of the Executive and Non-Executive Directors for the financial year 2012-13 are as under

(₹ In Lacs)

Name of the Director	Salary	Commission	Perquisites	Retirement Benefits	Assignment of Key Man Insurance Policy	Sitting Fees	Total
Shri P. M. Sanghvi	72.00	950.00	0.34	15.84	-	-	1038.18
Shri J. M. Sanghvi	48.00	570.00	1.00	10.56	-	-	629.56
Shri S. M. Sanghvi	36.00	380.00	-	7.92	62.87	-	486.79
Shri D. C. Anjaria	-	-	-	-	-	2.40	2.40
Dr. V. M. Agrawal	-	-	-	-	-	2.00	2.00
Shri P. M. Mehta	-	-	-	-	-	1.60	1.60

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

Particulars	Shri P. M. Sanghvi	Shri J. M. Sanghvi	Shri S. M. Sanghvi
Period of Appointment	5 Years	5 Years	5 Years
Date of Appointment	01/11/2008	01/11/2008	01/11/2008
Shareholders' approval in the AGM held on	15/09/2009	15/09/2009	15/09/2009
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 Rs. 20,000/- for each Board Meeting and for certain Committee Meetings attended during the year 2012 -13.

b. Stock Options granted to the Non-Executive Directors

Name of Director	No. of Options granted and due	Outstanding as on 01/04/2012	Options exercised during the year	Outstanding as on 31/03/2013 (Face value Rs.2/- per Equity Share)
Shri D. C. Anjaria	25000	12500	Nil	12500
Dr. V. M. Agrawal	25000	Nil	Nil	Nil
Shri P. M. Mehta	25000	Nil	Nil	Nil

3.3 Shareholders' / Investors' Grievance Committee

Composition and terms of reference

The Shareholders Grievance Committee was formed by the Board of Directors on 31st March 2001 to ensure the effective redressal of the complaints of the investors. The Committee also recommends steps to be taken for quality services to the investors. The composition of the said Committee is as under:

Name of the Director	Category	Status
Shri D. C. Anjaria	Independent Non-Executive	Chairman
Dr. V. M. Agrawal	Independent Non-Executive	Member
Shri P. M. Mehta	Independent Non-Executive	Member

Shri Virag Joshi, Company Secretary, acts as a Secretary of the Committee and has been designated as Compliance Officer of the Company.

Investor Complaints

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

Sr. No.	Nature of Complaints	Opening Balance as on 01/04/2012	Received during the Year	Redressed/Attended during the year	Pending as on 31/03/2013
1.	Non-receipt of share certificates after transfer, etc.	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend warrants	Nil	7	7	Nil
3.	Query regarding Demat Credit	Nil	Nil	Nil	Nil
4.	Non-receipt of duplicate share certificate after issue	Nil	Nil	Nil	Nil
5.	Others : Non-Exchange of New shares	Nil	Nil	Nil	Nil
	Total	Nil	7	7	Nil

3.4 Share Transfer Committee

Composition and terms of reference

The Board of Directors has also constituted Share Transfer Committee to deal with matters relating to transfers/transmissions/transposition/consolidation/split/issue of share certificates in exchange for sub-divided/consolidated/defaced share certificates/issue of duplicate share certificates, etc. The composition of Share Transfer Committee has been changed as and when required. At present, Shri P. M. Sanghvi, Managing Director, Shri J. M. Sanghvi, Whole-time Director and Dr. V. M. Agrawal, Independent Director are the members of Share Transfer Committee.

At present, entire activities related to share transfers, transmission, exchange of shares, etc. is handled by Sharepro Services (India) Pvt. Ltd., Mumbai and Ahmedabad (Branch), a SEBI authorized Registrar, which also provides electronic connectivity with NSDL and CDSL to carry out such assigned work.

Meetings and attendance

During the year under review, Committee meetings were held in terms of Clause 47 of the Listing Agreement and all the members were present in the meetings. The shares are transferred to the Transferees within a period as stipulated in the Listing Agreement with Stock Exchanges.

3.5 Committee for Share Allotment under ESOS:

Composition and terms of reference

The Board of Directors formed the Committee for share allotments under ESOS on 18th May 2009 to consider the applications received from the eligible employees and allotting the shares to them. The composition of the said Committee is as under:

Name of the Director	Category	Status
Shri P. M. Sanghvi	Promoter Executive	Chairman
Shri J. M. Sanghvi	Promoter Executive	Member
Shri D. C. Anjaria	Independent Non Executive	Member

Meetings and attendance

During the year, no meetings were held being the non-exercise of any options under the ESOS scheme by the concerned employees.

4) OTHER MAJOR COMMITTEES OF DIRECTORS

In addition to the above-referred Committees, the Board has constituted the following Committees of Directors and delegated thereto powers and responsibilities with respect to specific purposes. The schedule for holding the meetings of such Committees are finalized in consultation with the Committee Members.

1 Risk Management Committee		
<i>Terms of reference</i> Framing and supervising risk management policies of the Company & to review and strengthen the risk management of the Company from time to time. The Board of Directors in its meeting held on 10/11/2011 formed the Committee.	<i>Composition</i> 1. Shri D. C. Anjaria (Chairman) Independent Non - Executive	<i>Meetings</i> Two Meetings were held on 18/05/2012 & 15/10/2012
	2. Shri P. M. Sanghvi (Member) Promoter Executive	
2 Kutch Project Review Committee		
<i>Terms of reference</i> With a view to take certain decisions on the spot for the Kutch Project, the Board of Directors in its meeting held on 28/09/2005 formed Kutch Project Review Committee.	<i>Composition</i> 1. Shri P. M. Mehta (Chairman) Independent Non- Executive	<i>Meetings</i> Two Meetings were held on 18/04/2012 & 19/04/2012
	2. Shri P. M. Sanghvi (Member) Promoter Executive	
	3. Shri J. M. Sanghvi (Member) Promoter Executive	
3 Cost Reduction And Performance Improvement Committee		
<i>Terms of reference</i> The Board formed a Committee for cost reduction and performance improvement on 28/07/2009.	<i>Composition</i> 1. Shri P. M. Mehta (Chairman) Independent Non-Executive	<i>Meetings</i> No meetings were held during the year under review however, the activity is being taken care at functional and Board level.
	2. Shri P. M. Sanghvi (Member) Promoter Executive	
	3. Shri J. M. Sanghvi (Member) Promoter Executive	

5) 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, 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
26 TH	2009-10	27.08.2010	10:00 a.m.	NIL
27 TH	2010-11	18.08.2011	10:00 a.m.	3
28 TH	2011-12	26.09.2012	10:00 a. m.	NIL

* Special resolutions indicated above were passed by show of hands.

B. Postal Ballot

No special resolution was passed through Postal Ballot during the financial year 2012-13. None of the Business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot

6) DISCLOSURES

Related party transactions

- 6.1 Full disclosure of related party transactions as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are given under Note No. 32 of Notes to Financial Statements.

Accounting Treatment

- 6.2 Financial Statements for the year under review were prepared in accordance with the Accounting Standards and there is no deviation, nor any alternative treatment given. However, there was a change in the accounting policy for Inventory Valuations (Refer note no. 2.1(a) of Notes to Financial Statements).

- 6.3 Risk Management

The Company regularly reviews the risks and takes corrective actions for managing/mitigating the same. The internal control system provides 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.

Strictures/Penalties

- 6.4 There was no instance of Non-compliance of any matter related to the capital markets during the last three years. In other words the Company has complied with all the regulations as per the Listing Agreement with Stock Exchanges and SEBI.

Management

- 6.5 The Management Discussion and Analysis Report forms part of the Annual Report

Statutory Registers

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

Compliance with non mandatory requirements

The Board

- 6.7 Your Company has an Executive Chairman and hence need for implementing this non-mandatory requirement pertaining to maintenance of Chairman's office by Non-Executive Chairman has not arisen.

Remuneration Committee

- 6.8 The Board has already set up Remuneration Committee in the year 2002, the details of which are available under Item No. 3.2 above.

Shareholders Rights

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

Training of Board Members

- 6.10 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 presentations are periodically made to the Board Members on the business model of the Company. The Directors endeavour to keep themselves updated with changes in economy and legislation.

- 6.11 Audit Qualifications

There are no qualifications in the Auditors' Report on the Financial Statements of the Company.

- 6.12 Whistle Blower Policy

The Company has not established any formal Whistle Blower Policy at present.

7) CERTIFICATION

The Board has received MD/CFO Certification under Clause V of the Revised Clause 49 of the Listing Agreement. They have reviewed all Financial and Cash Flow Statements and have certified that no transaction has been entered by the Company during the year, which is illegal, or violating laws of the Company's Code of Conduct and the same was placed before the Board of Directors of the Company.

8) MEANS OF COMMUNICATIONS

Financial Results	Quarterly & Annual Results are submitted to the Stock Exchanges in accordance with the Listing Agreement and published in any one of the prominent daily newspapers viz. The Economic Times (Gujarati)/(English)/Business Line etc. The results are also posted on the Company's website.
News Releases	Official press releases are sent to stock exchanges as well as displayed on the Company's website.
Website	The Company's corporate website is www.ratnamani.com
NSE Electronic Application Processing System (NEAPS)	The Shareholding Pattern and Corporate Governance Report 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.
Investor Services	The Company has designated an exclusive e-mail id viz. investor@ratnamani.com for investor services and grievances.

9) GENERAL SHAREHOLDERS INFORMATION

A. Tentative Financial Calendar for the Financial Year 2013 - 2014

Financial Year : 1st April 2013 to 31st March 2014.

Financial Results

First Quarter ended on 30th June 2013 : Second week of August 2013
 Half year ended on 30th September 2013 : Second week of November 2013
 Third Quarter ended on 31st December 2013 : Second week of February, 2014
 Fourth Quarter ended on 31st March 2014 : Last week of May 2014
 AGM for the year 2013-14 : August / September 2014

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. The address of the same is as under:

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

C. Listing Fees to Stock Exchanges

The Company has paid the Listing Fees for the year 2013-2014 to the above Stock Exchanges.

D. Custodial Fees to Depositories

The Company has paid Custodial Fees for the year 2013-2014 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

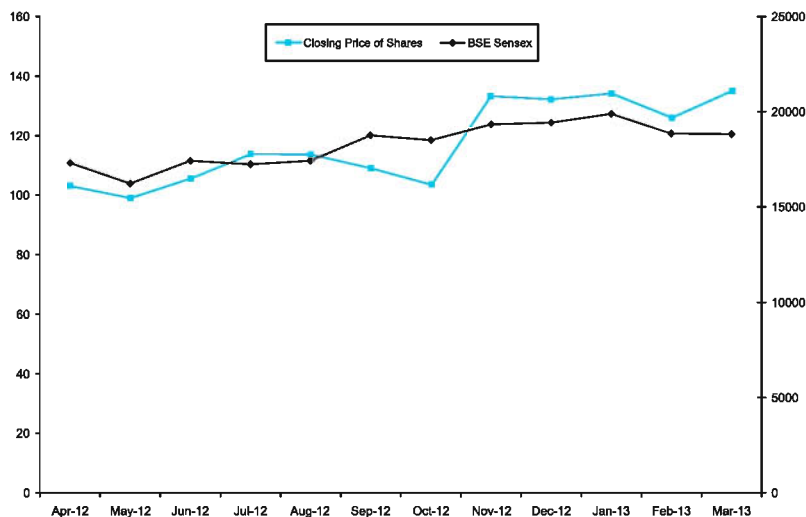
E. Stock Code/Symbol

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

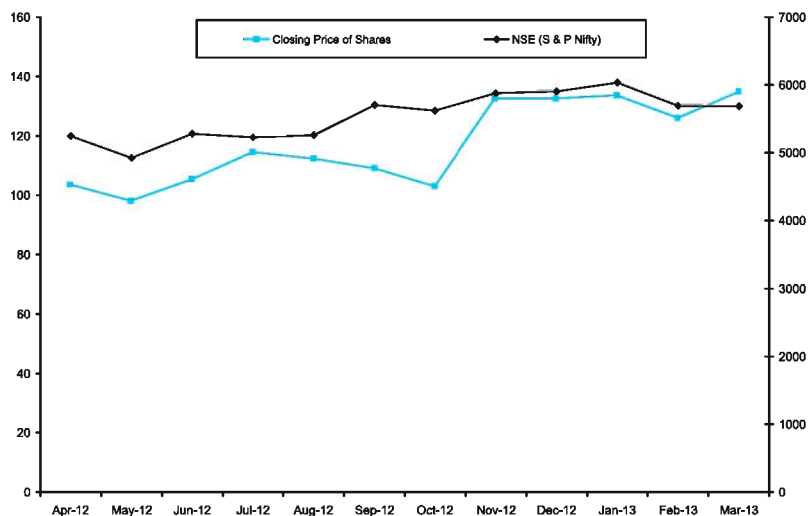
F. Market Price Data

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
April 2012	114.85	103.00	109.40	102.00
May 2012	107.00	92.20	106.95	92.60
June 2012	120.00	96.25	118.20	94.60
July 2012	121.40	104.75	121.70	101.65
August 2012	121.00	107.15	120.20	110.30
September 2012	115.95	107.00	115.00	106.80
October 2012	119.00	101.25	119.50	102.60
November 2012	135.75	101.00	139.70	101.00
December 2012	150.00	120.60	149.90	127.75
January 2013	148.30	131.00	148.80	130.00
February 2013	141.00	126.00	138.20	122.10
March 2013	143.35	120.35	141.00	119.90

G. Performance of share price in comparison to BSE Sensex:



H. Performance of share price in comparison to NSE Nifty:



I. Registrar & Transfer Agents (RTA)

Sharepro Services (India) Private Limited, Mumbai.

J. Share Transfer System

Due to mandatory provisions of SEBI and upon the instructions of BSE Ltd. and National Stock Exchange of India Ltd., the Company has appointed a common agency as a single point for physical and demat registry work. The Company has appointed M/s. Sharepro Services (India) Pvt. Ltd., as its Registrar and Transfer Agent w.e.f. 26th March 2010. All the shareholders of the Company are therefore requested to correspond directly with them on the matters related to both transfer of shares as well as for demat of the shares of the Company. Their address for correspondence is mentioned in sub point 'R' given herein after.

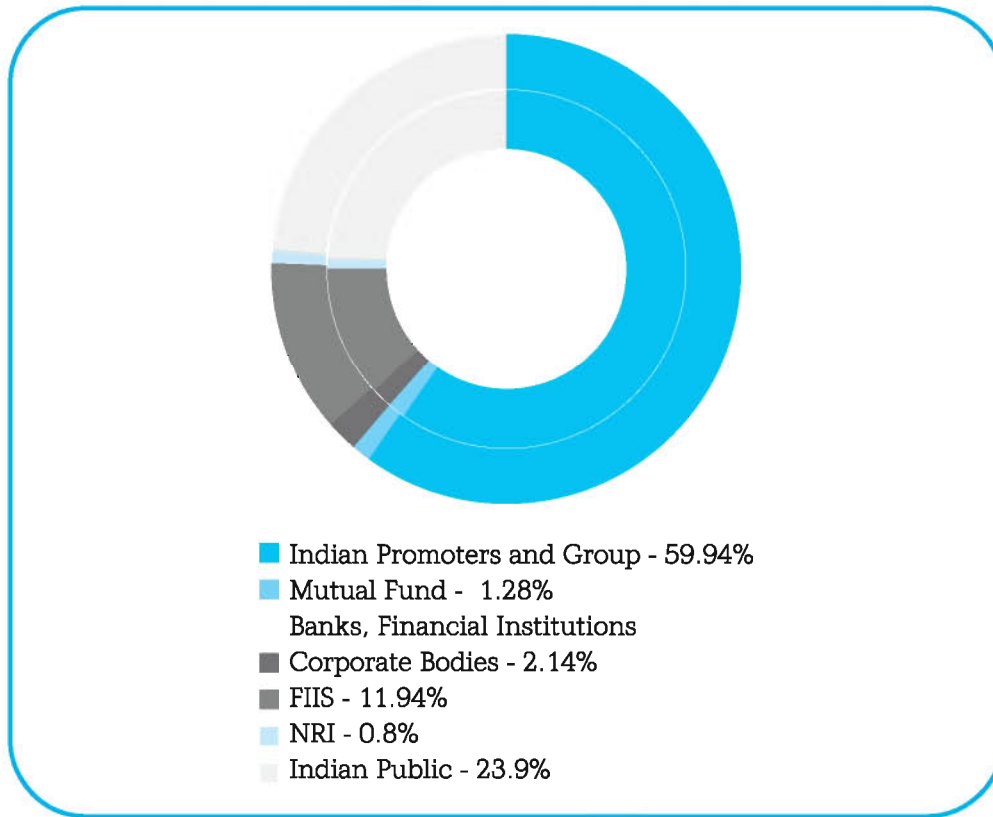
In view of the above, the work for transfer of shares in physical form is also being carried out at the above address.

K. Distribution of Shareholdings as on 31st March 2013

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 2500	7536	95.55	2356395	5.08
2501 to 5000	127	1.61	485777	1.05
5001 to 10000	65	0.82	499321	1.07
10001 to 15000	17	0.22	222893	0.48
15001 to 20000	13	0.16	226948	0.49
20001 to 25000	11	0.14	258669	0.56
25001 to 50000	25	0.32	1013164	2.18
50001 & Above	93	1.18	41352442	89.09
Total	7887	100.00	46415609	100.00

L. Categories of Shareholders as on 31st March 2013

Category	No. of Shares	% of Shareholding
Indian Promoters and Group	27819393	59.94
Mutual Fund	594128	1.28
Banks, Financial Institutions	330	0.00
Corporate Bodies	992714	2.14
FIIS	5540672	11.94
NRI	375296	0.81
Indian Public	11093076	23.89
Total	46415609	100.00



M. Dematerialization of Shares and liquidity

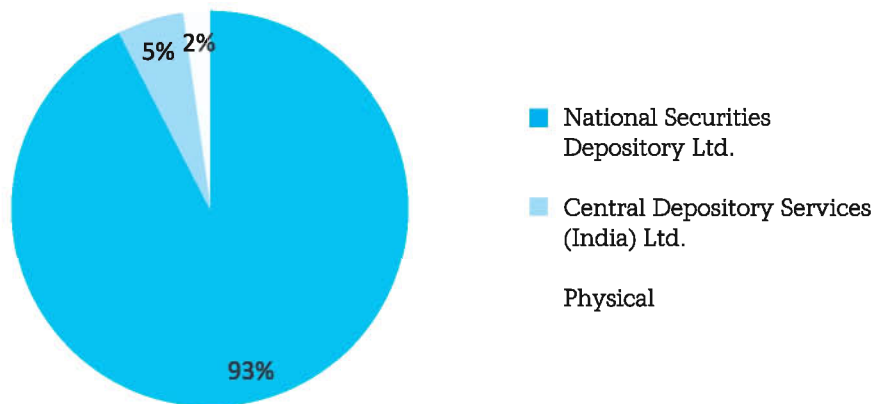
The Equity Shares of the Company are compulsorily to be traded in the dematerialized form by all the investors' w.e.f 26th March 2001. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) whereby the shareholders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

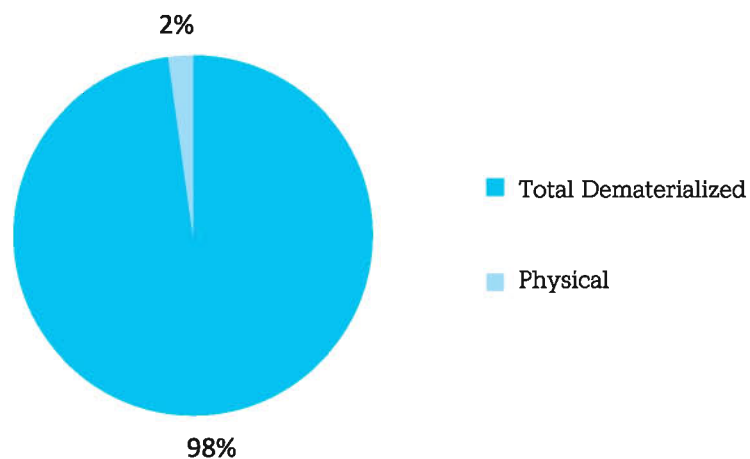
Status of Dematerialization of the Company's Equity shares as on 31st March 2013 is as under:

Particulars	No. of shares as on 31/03/2013	% of Total Capital as on 31/03/2013	No. of Shareholders as on 31/03/2013
1. National Securities Depository Ltd.	42994118	92.63	4263
2. Central Depository Services (India) Ltd.	2451765	5.28	1783
3. Total Dematerialized shares	45445883	97.91	6046
4. Physical	969726	2.09	1841
Total	46415609	100.00	7887

Shareholders holding shares in Demat and Physical form



Shareholding - Demat and Physical form



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

Financial Year	Dividend Declaration Date	Dividend Per Equity Share (₹)	Dividend Rate (%)	Face Value Per Equity Share (₹)
2011-2012	26/09/2012	3.00	150%	2
2010-2011	18/08/2011	2.50	125%	2
2009-2010	27/08/2010	2.20	110%	2
2008-2009	15/09/2009	1.80	90%	2
2007-2008	23/09/2008	7.00	70%	10
2006-2007	07/09/2007	5.00	50%	10
2005-2006	09/09/2006	2.50	25%	10

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

All unclaimed/unpaid dividend amount up to financial year 2004-2005 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.

O. 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 Dematerialised form and with the Company's Registrar and Transfer Agent in 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/s. Sharepro Services (India) Pvt. Ltd.

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

Nil

Q. Plant Locations

SS Division Survey No. 769, Ahmedabad-Mehsana Highway, Village-Indrad, Nr. Chhatral GIDC, Taluka – Kadi, Dist. Mehsana, Pin Code – 382729, Gujarat.

CS Division Plot No. 3306 to 3309, GIDC Estate, Phase IV, Ahmedabad-Mehsana Highway, P.O. Chhatral, Taluka – Kalol, Dist.: Gandhinagar. Pin Code – 382729, Gujarat.

Kutch Division Survey No. 474, Village: Bhimasar, Tal. Anjar, Dist. Kutch, Gujarat

R. Address for Correspondence :

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

Shareholder correspondence may be directed to the Company’s Registrar and Transfer Agent (RTA), whose address is given below:

RTA’s REGISTERED OFFICE ADDRESS	RTA’s AHMEDABAD BRANCH ADDRESS
Sharepro Services (India) Private Limited Unit: Ratnamani Metals & Tubes Limited 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 Tel. No. – (022) 6772 0300 / 6772 0400 Fax No. – (022) 28591568 Email: sharepro@shareproservices.com	M/s. Sharepro Services (India) Private Limited Unit: Ratnamani Metals & Tubes Limited Devnandan Mega Mall, Office No. 416-420, 4th Floor, Opp. Sanyas Ashram, Ashram Road Ahmedabad - 380006 Tel. No.- (079) 26582381-82-83-84 Fax No.- (079) 26582385 Contact Person: Mr. Wilson Gohil E-mail: sharepro.ahmedabad@shareproservices.com

10) CORPORATE ETHICS

a) Code of Conduct for Board Members and Senior Management

The Board has formed Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. All the Board members and Senior Management personnel have affirmed compliance with the said code of conduct during the year 2012-13.

Declaration of Compliance with the Code of Conduct / Ethics

In this connection, a declaration signed by the Managing Director in terms of the Listing Agreement addressed to the Board of Directors is given below:

“It is hereby declared that the Company has obtained from all Members of the Board and Senior Management affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2012-13.”

b) Code of Conduct for prevention of Insider Trading

The Company has formed Code of Conduct for prevention of Insider Trading as required by SEBI (Prohibition of Insider Trading) Regulations 1992 as amended from time to time. The code ensures prevention of dealing in Company’s shares by persons having access to unpublished price sensitive information.

c) 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 the 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.

d) 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.

e) Certification by Practicing Company Secretary

As required under clause 49 of the Listing Agreement, the Company has obtained a certificate from the practicing Company Secretaries M/s. M. C. Gupta & Co., regarding the compliance of the conditions of Corporate Governance as stipulated in Clause 49, which is annexed herewith and forms part of the Annual Report.

ANNEXURE: D

DISCLOSURES REGARDING STOCK OPTIONS

During the year 2006-07, the Company had introduced Employee Stock Option Scheme (ESOS 2006) for the benefit of employees of the Company. Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines"), following disclosures are made in connection with Employees Stock Option Scheme (ESOS 2006) :

The details of options granted under Employee Stock Option Scheme 2006 are given in the table:

Particulars	ESOS 2006																										
a. Total Options authorized by the Plan	22,50,000																										
b. The Pricing Formula	₹ 59.40/- (plus applicable taxes) which is 75% of the average of daily closing price of equity shares of the Company during 30 days preceding the date of grant of options as quoted on the Stock Exchange, Mumbai																										
c. Options Vested	22,50,000																										
d. Options Exercised	14,15,609																										
e. Total number of shares arising as a result of exercise of Options	14,15,609																										
f. Options lapsed	NIL																										
g. Variation of terms of options	NIL																										
h. Money realized by exercise of Options	₹ 28,31,218/- Share capital ₹ 8,12,55,957/- Share premium																										
i. Total No. of Options in force	8,34,391																										
j. Employee wise details of Options granted to																											
a. Senior Management Personnel:																											
	<table border="1"> <thead> <tr> <th>Name</th> <th>Options granted</th> </tr> </thead> <tbody> <tr> <td>Shri D. C. Anjaria</td> <td>25000</td> </tr> <tr> <td>Dr. V. M. Agrawal</td> <td>25000</td> </tr> <tr> <td>Shri P. M. Mehta</td> <td>25000</td> </tr> <tr> <td>Shri A. J. Vora</td> <td>25000</td> </tr> <tr> <td>Shri D. N. Patel</td> <td>25000</td> </tr> <tr> <td>Shri R. S. Patel</td> <td>25000</td> </tr> <tr> <td>Shri P. H. Bhat</td> <td>25000</td> </tr> <tr> <td>Shri Vimal Katta</td> <td>25000</td> </tr> <tr> <td>Shri B. Ranganath (Since Retired)</td> <td>17500</td> </tr> <tr> <td>Shri M. S. Randhawa</td> <td>25000</td> </tr> <tr> <td>Shri T. Venugopal</td> <td>25000</td> </tr> <tr> <td>Shri V. C. Bhagat (Since Retired)</td> <td>20000</td> </tr> </tbody> </table>	Name	Options granted	Shri D. C. Anjaria	25000	Dr. V. M. Agrawal	25000	Shri P. M. Mehta	25000	Shri A. J. Vora	25000	Shri D. N. Patel	25000	Shri R. S. Patel	25000	Shri P. H. Bhat	25000	Shri Vimal Katta	25000	Shri B. Ranganath (Since Retired)	17500	Shri M. S. Randhawa	25000	Shri T. Venugopal	25000	Shri V. C. Bhagat (Since Retired)	20000
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Shri T. Venugopal	25000																										
Shri V. C. Bhagat (Since Retired)	20000																										

b. Any other employee who receives a grant in any one year of option amounting to 5% or more of Options granted during that year.	No employee has received grant of options amounting to 5% or more.
c. Identified employees who were granted Options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	There is no employee who has been granted during 1 year equal to or exceeding 1% of the issued capital
k. Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	₹ 29.14

The Company has used 'intrinsic value' method as defined in SEBI Guidelines. The disclosure under clause (l), (m) and (n) are not required to be made as the fair value of the options is less than intrinsic value.

Note: The number of options granted and vested, and the price per option were adjusted on account of sub-division of Equity Shares having face value of ₹ 10/- each into five Equity Shares of face value ₹ 2/- each.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Ratnamani Metals and Tubes Limited

We have examined the compliance of conditions of Corporate Governance by Ratnamani Metals and Tubes Limited for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us 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 Clause 49 of the above mentioned Listing Agreement.

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

For M. C. Gupta & Co.
Company Secretaries

M. C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : June 25, 2013

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Members of Ratnamani Metals & Tubes Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ratnamani Metals & Tubes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by

the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- (a) We have 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 appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Mehta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No : 106250W

per Prakash D. Shah

Partner

Membership No. 34363

Place: Ahmedabad

Date: May 27, 2013

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No : 101049W

per Arpit K. Patel

Partner

Membership No. 34032

Place: Ahmedabad

Date: May 27, 2013

Annexure referred to in paragraph 1 of our report of even date Re: Ratnamani Metals & Tubes Limited ('the Company')

- | | |
|--|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) There was no substantial disposal of fixed assets during the year.</p> | <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.</p> |
| <p>(ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable.</p> <p>(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.</p> | <p>(v) According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v)(b) of the Companies (Auditors Report) Order, 2003 (as amended), are not applicable to the Company and hence not commented upon.</p> |
| <p>(iii) According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.</p> | <p>(vi) The Company has not accepted any deposits from the public.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.</p> <p>(viii) 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 209(1) (d) of the Companies Act, 1956, related to the manufacture of steel tubes and pipes, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.</p> |

(ix)(a) Undisputed statutory dues including provident fund, investor education and protection fund, Employees' state insurance, income-tax, sales tax, customs duty, excise duty and other material statutory dues have generally been regularly deposited with the appropriate authorities though there is slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, sales tax, customs duty, excise duty, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income tax, sales-tax, wealth tax, service tax, custom duty, excise duty and cess on account of any dispute, are as follows:

Name of statute	Nature of dues	₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	41.74	July 2006 to May 2007	Assistant Commissioner
		9.26	March 2010 to April 2010	
		23.93	October 2003 to October 2004	Central Excise and Service tax Appellate Tribunal
		1,479.20	March 2005 to November 2007	Commissioner of Central Excise
		6.24	June 2008 to September 2008	
		4.95	June 2011 to November 2011	
		28.90	December 2011 to March 2012	
		20.05	March 1999 to August 2001	Hon'ble High Court of Gujarat
The Finance Act (Service Tax), 1994	Service Tax	4.26	December 2006 to December 2008	Assistant Commissioner Central Excise
		17.36	October 2005 to January 2007	Central Excise and Service tax Appellate Tribunal
		11.26	April 2006 to March 2007	
Income Tax Act, 1961	Tax and Interest	77.84	2009-10	Commissioner of Income tax (Appeal)
Customs Act, 1962	Tax and penalty	8,474.79	April 2007 to February 2012	Custom Commissioner (Kandla)
Employees State Insurance Scheme	Tax	218.17	November 1991 to March 2013	Hon'ble High Court of Gujarat
Consolidated Notified Area Tax - GIDC	Tax	6.33	April 2005 to March 2011	Hon'ble High Court of Gujarat
Central Sales Tax Act, 1956	Tax	33.00	April 2006 to March 2008	Joint Commissioner (Appeals)

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not

defaulted in repayment of dues to a financial institution or bank.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Mehta Lodha & Co.
Chartered Accountants
ICAI Firm Registration No : 106250W

per Prakash D. Shah
Partner
Membership No. 34363

Place: Ahmedabad
Date: May 27, 2013

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No : 101049W

per Arpit K. Patel
Partner
Membership No. 34032

Place: Ahmedabad
Date: May 27, 2013

Balance Sheet as at 31st March, 2013

(₹ in Lacs)

Particulars	Note	As at 31-03-2013	As at 31-03-2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	928.31	928.31
Reserves and Surplus	4	63,743.09	52,320.24
		64,671.40	53,248.55
Non-current Liabilities			
Long-term Borrowings	5	4,201.75	5,469.69
Deferred Tax Liabilities (net)	6	3,995.87	3,566.42
		8,197.62	9,036.11
Current Liabilities			
Short-term Borrowings	7	7,725.69	21,983.94
Trade Payables	8	10,059.79	9,551.26
Other Current Liabilities	9	8,907.20	5,491.92
Short-term Provisions	10	3,307.09	2,126.47
		29,999.77	39,153.59
Total		102,868.79	101,438.25
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible Assets	11	38,757.83	36,455.04
- Intangible Assets	11	290.65	222.82
- Capital Work-in-Progress		2,285.58	2,832.96
		41,334.06	39,510.82
Non-current Investments	12	0.90	0.84
Loans and Advances	17	894.84	635.35
		42,229.80	40,147.01
Current Assets			
Current Investments	13	2,910.52	650.44
Inventories	14	23,273.43	28,380.61
Trade Receivables	15	25,118.87	22,888.86
Cash and Bank Balances	16	6,003.59	7,069.11
Short-term Loans and Advances	17	3,156.64	2,078.48
Other Current Assets	18	175.94	223.74
		60,638.99	61,291.24
Total		102,868.79	101,438.25

Summary of Significant Accounting Policies 2.1

The accompanying notes are integral part of the Financial Statements.

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 106250W

per PRAKASH D. SHAH

Partner

Membership No. 34363

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W

per ARPIT K. PATEL

Partner

Membership No. 34032

For Ratnamani Metals & Tubes Limited**P. M. SANGHVI**Chairman and
Managing Director**S. M. SANGHVI**

Whole Time Director

DR. V. M. AGRAWAL

Director

VIMAL KATTA

Vice President (Finance)

J. M. SANGHVI

Whole Time Director

D. C. ANJARIA

Director

P. M. MEHTA

Director

VIRAG Y. JOSHI

Company Secretary

Place : Ahmedabad

Date : May 27, 2013

Statement of Profit & Loss for the Year Ended on 31st March 2013

Particulars	Note	₹ in Lacs	
		Year ended 31-03-2013	Year ended 31-03-2012
INCOME			
Revenue from Operations (gross)	19	127,604.16	129,356.16
Less:- Excise Duty		7,491.41	7,182.14
Revenue from Operations (net)		120,112.75	122,174.02
Other Income	20	1,827.24	583.39
Total Revenue		121,939.99	122,757.41
EXPENSES			
Cost of Raw Materials Consumed	21	74,682.83	78,716.54
Purchase of Stock-in-trade	22.1	476.60	349.85
Changes in Inventories of Finished Goods & Work-in-Progress	22	(1,177.72)	478.11
Employee Benefits Expense	23	7,211.98	5,674.71
Finance Costs	24	1,213.66	1,655.99
Depreciation/amortisation	11	4,247.25	4,249.15
Other Expenses	25	15,134.26	17,716.95
Total Expenses		101,788.86	108,841.30
Profit Before Tax		20,151.13	13,916.11
Tax Expense			
Current Tax		6,232.07	4,595.91
Excess Provision for Current Tax of earlier years		(105.39)	(22.22)
Deferred Tax Expense		429.45	(88.90)
Profit After Tax and before prior period Items		13,595.00	9,431.32
Add :- Prior Period Items	37	-	1,712.87
Net Profit		13,595.00	11,144.19
Earning Per Equity Share (₹) of face value of ₹ 2/- each:	38		
Basic		29.29	24.02
Diluted		29.14	23.90

Summary of Significant Accounting Policies 2.1

The accompanying notes are integral part of the Financial Statements.

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 106250W

per PRAKASH D. SHAH

Partner

Membership No. 34363

For S.R. Batliboi & Associates LLP

Chartered Accountants

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Director

P. M. MEHTA

Director

VIRAG Y. JOSHI

Company Secretary

Place : Ahmedabad

Date : May 27, 2013

Cash Flow Statement for the year 2012-13

(₹ in Lacs)

Particulars	2012-13	2011-12
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit and Loss	20,151.13	13,916.11
Adjusted For:		
(Profit)/Loss on Sale/Discard of Assets (net)	137.94	24.33
Depreciation/amortisation	4,247.25	4,249.15
Dividend Income	(563.49)	(36.52)
Interest Income	(1,097.21)	(546.87)
Bad debts/sundry balances written off	119.75	581.44
Unrealised foreign exchange loss	-	348.06
Interest Expenses	787.98	1,304.29
Operating Profit before working capital changes	23,783.35	19,839.99
Adjusted For:		
Decrease/(Increase) in trade receivables	(2,338.75)	(5,870.96)
Decrease/(Increase) in inventories	5,107.18	6,799.95
Decrease/(Increase) in loans and advances	(1,082.62)	2,319.78
Decrease/(Increase) in other current assets	23.84	(48.19)
Increase/(Decrease) in trade payables	508.53	(10,238.23)
Increase/(Decrease) in other current liabilities	2,974.32	87.98
Increase/(Decrease) in short term provisions	(104.82)	70.21
Cash Generated from Operations	28,871.03	12,960.53
Direct Taxes Paid	(5,467.47)	(4,354.66)
Net Cash Generated from Operating Activities	23,403.56	8,605.87
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets, including CWIP and capital advances	(5,769.85)	(6,713.84)
Sales of Fixed Assets	48.93	54.33
Sales/(Purchase) of Investments (net)	(2,260.14)	49.59
Decrease in Investments in Bank Deposits (net)	3.63	4.06
Dividend Income	563.49	36.52
Interest Income	1,121.17	374.55
Net Cash used in Investing Activities	(6,292.77)	(6,194.79)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	-	24.15
Repayment of Long Term Borrowings	(1,612.57)	(1,572.39)
Short Term Borrowings (net)	(14,258.25)	4,149.99
Dividend paid (including Dividend Distribution Tax)	(1,618.36)	(1,347.45)
Interest Paid	(683.50)	(1,333.44)
Net Cash used in Financing Activities	(18,172.68)	(79.14)
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,061.89)	2,331.94
Opening Balance of Cash and Cash Equivalents	7,058.59	4,726.65
Closing Balance of Cash and Cash Equivalents	5,996.70	7,058.59
(Refer note no. 16)		

Cash Flow Statement for the year 2012-13

(₹ in Lacs)

Particulars	2012-13	2011-12
Components of cash and cash equivalents		
Balances with Banks in Current Accounts	1,988.85	4,709.71
Deposits with original maturity of less than three months	3,950.00	2,300.00
Balances with Banks earmarked for Unpaid Dividend	45.78	37.07
Cash in Hand	12.07	11.81
Total cash and cash equivalents (note 16)	<u>5,996.70</u>	<u>7,058.59</u>

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 106250W

per PRAKASH D. SHAH

Partner

Membership No. 34363

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W

per ARPIT K. PATEL

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For Ratnamani Metals & Tubes Limited

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D. C. ANJARIA

Director

P. M. MEHTA

Director

VIRAG Y. JOSHI

Company Secretary

Place : Ahmedabad

Date : May 27, 2013

Notes to Financial Statements for the Year ended 31st March, 2013

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 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 Company also operates a mobile plant at Koradi (Maharashtra) as on year end.

2. BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

a. CHANGE IN ACCOUNTING POLICY

Till the previous year, cost of raw materials, work-in-process, finished goods, components, stores and spares were valued at FIFO (First-In-First-Out) method. In the current year, the company changed its accounting policy from the FIFO (First-In-First-Out) method to weighted Average method. The management believes that such change would result in a more appropriate presentation of the financial statement in line with industrial practise.

Consequently, inventories and profit before taxation are higher by ₹ 98.37 Lacs.

b. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and/or liabilities in future periods.

c. TANGIBLE FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation, impairment losses, and net of tax/duty/credits availed, if any. Cost comprises the purchase price and any attributable cost of bringing an assets to its working condition for its intended use.

Notes to Financial Statements for the Year ended 31st March, 2013

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period for which such expenditure are incurred.

Gain or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and Loss as and when the assets is derecognized.

d. INTANGIBLE FIXED ASSETS

Intangible Assets are carried at cost less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life.

e. DEPRECIATION

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on those prescribed under the Schedule XIV to the Companies Act, 1956, except in respect of following fixed assets:

- (i) The amount of Long Term Lease hold land: It is amortised in equal installments during the last fifteen years of the residual lease period.
- (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 management. Individual assets not exceeding ₹ 5,000 are depreciated fully in the year of purchase.

f. INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year from the date on which investments are made are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. Diminution in value, if any, which is of temporary nature, is not provided.

g. INVENTORIES

Raw materials, work-in-process, finished goods, components, stores and spares are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where-ever

Notes to Financial Statements for the Year ended 31st March, 2013

considered necessary. 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.

h. REVENUE

- i) Revenue from operations is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations (gross) & Income from operations (gross) represents the amounts receivable for goods and services sold including excise duty thereon, Export incentives and VAT/CST incentives in respect of Kutch Unit but excludes VAT/CST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

Interest income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable.

- ii) The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for in the year of export based on eligibility and when there is no uncertainty on receiving the same.
- iii) Dividend is recognized when the Company's right to receive dividend is established by the balance sheet date.
- iv) Revenue from windmill is recognised on unit generation basis.

i. EXCISE/SERVICE TAX/CUSTOMS DUTIES/SALES TAX/VALUE ADDED TAX

Excise duty/Service Tax is accounted on the basis of both, payment made in respect of goods cleared/Services provided and provided on manufactured goods remaining in the inventory is included as a part of valuation of finished goods and scrap. The customs duty on raw materials, stores, spares & components is accounted on clearance thereof.

Sales tax/Value added tax paid/liability accrued is charged to Statement of Profit and Loss account.

j. 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 super-annuation fund. The company recognises contribution payable to these funds as an expenditure, when an employee renders the related service.

In respect of gratuity liability, the Company operates defined benefit plan. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Based on the determined valuation, the Company recognizes the amount in full to the statement of profit and loss account.

Notes to Financial Statements for the Year ended 31st March, 2013

Actuarial gain and loss is recognised in full in the period in which they occur in the statement of profit and loss.

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 recognised in full in the period in which they occur in the statement of profit and loss.

ESOS

In respect of Employees Stock Options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over the vesting period.

k. INCOME TAXES

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Notes to Financial Statements for the Year ended 31st March, 2013

l. FOREIGN CURRENCY TRANSACTIONS

- i) Foreign currency transactions are accounted at exchange rates prevailing on the date the transactions take place or that approximates the actual rate on the date of the transaction. All exchange differences arising in respect of foreign currency transactions are dealt with in statement of profit & loss except in respect of long term liabilities incurred for acquiring fixed assets, in which case such differences are adjusted in the carrying amount of the respective fixed assets and depreciated over the remaining useful life of the assets.
- ii) All monetary foreign currency assets and liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing on the reporting date of financial statements.

m. FOREIGN EXCHANGE CONTRACT ENTERED INTO TO HEDGE FOREIGN CURRENCY RISK OF AN EXISTING ASSETS/LIABILITIES

In respect of forward contracts, the premium or discount is amortise over the period of forward contract and the proportionate premium/discount for the period up to the reporting date of Balance Sheet is recognized in the statement of profit and loss. The exchange difference measured by the exchange rate between the inception of the forward contract and reporting date of Balance Sheet is applied on foreign currency amount of the forward contract and exchange difference on such contracts, are recognized in the statement of Profit and Loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is also recognized as income or expense for the period.

n. FINANCE COSTS

Finance costs includes interest, bank charges, amortisation of ancilliary costs incurred in connection with the arrangement of borrowing.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to statement of profit and loss.

o. IMPAIRMENT OF ASSETS

The Company assesses at each Balance Sheet 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 assets. If such recoverable amount of the assets 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 Balance Sheet date there is an indication that if 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.

Notes to Financial Statements for the Year ended 31st March, 2013

p. PROVISIONS

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

q. CONTINGENT LIABILITY

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent assets is neither recognized nor disclosed.

r. SEGMENT REPORTING

The Company's operating businesses are organised and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segment is based on the geographical location of the customers.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

s. EARNING 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. The weighted average number of equity shares outstanding during the period is adjusted for issue of shares under Employee Stock Option Scheme-2006 that have changed the number of equity shares outstanding.

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.

t. CASH AND CASH EQUIVALENT

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u. CASH FLOW STATEMENT

Cash flow statement is prepared using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

Notes to Financial Statements for the Year ended 31st March, 2013

(₹ in Lacs)

Note Particulars No	As at 31-03-2013	As at 31-03-2012		
3. SHARE CAPITAL				
Authorised				
7,50,00,000 (7,50,00,000) Equity Shares of ₹ 2/- each (P.Y. ₹ 2/- each)	1,500.00	1,500.00		
Issued, Subscribed and Paid-up				
4,64,15,609 (4,64,15,609) Equity Shares of ₹ 2/- each (P.Y. ₹ 2/- each)	928.31	928.31		
	<u>928.31</u>	<u>928.31</u>		
3.1 Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period (Figures are ₹ in lacs)				
At the beginning of the year	928.31	927.50		
Add:- Issued during the year- ESOS	-	0.81		
Outstanding at the end of the year	<u>928.31</u>	<u>928.31</u>		
(Figures of shares are in numbers)				
At the beginning of the year	46,415,609	46,374,959		
Add : Shares issued on exercise of Employee Stock Options	-	40,650		
Equity Shares at the end of the year	<u>46,415,609</u>	<u>46,415,609</u>		
3.2 Terms/Rights attached to Equity Shares				
<p>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 Rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders at the ensuing Annual General Meeting. 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.</p>				
3.3 Details of Shareholders holding more than 5% Equity Shares in the Company				
Name of the Share holder	No. of Shares	% held	No. of Shares	% held
Nalanda India Equity Fund Limited	3,906,664	8.42%	3,906,664	8.42%
Prakash M Sanghvi	3,519,768	7.58%	3,111,668	6.70%
Jayanti M Sanghvi	2,506,435	5.40%	2,506,435	5.40%
3.4 Shares Reserved for issue under option				
<p>The Company reserved issuance of 22,50,000 (Previous Year 22,50,000) Equity Shares of ₹ 2/- each for offering to eligible employees of the Company under Employees Stock Option Scheme 2006 at a price of ₹ 59.40 per option plus all applicable taxes, as may be levied in this regard on the Company. The options were granted on 31st October, 2006 and have vested completely. Out of the reserved Equity Shares, 14,15,609 Equity Shares (previous year 14,15,609) have been issued till date. The maximum exercise period is 8 years from the date of grant of options. (Also refer note no. 30)</p>				

Notes to Financial Statements for the Year ended 31st March, 2013

(₹ in Lacs)

Note No	Particulars	As at		As at	
		31-03-2013		31-03-2012	
4.	RESERVES AND SURPLUS				
	Capital Reserve as per last year		490.04		490.04
	Securities Premium				
	Balance as per last year	2,026.65		1,993.80	
	Add:- On issue of Shares	-	2,026.65	32.85	2,026.65
	General Reserve				
	Balance as per last year	37,503.01		32,503.01	
	Add:- Transferred from	6,000.00		5,000.00	
	Statement of Profit and Loss	-	43,503.01	-	37,503.01
	Amalgamation reserve on amalgamation during 1997-98 of:				
	- Ratnamani Engineering Ltd.	386.67		386.67	
	- Ratnamani Fine Tubes Pvt Ltd.	5.44	392.11	5.44	392.11
	Employee Stock Options				
	Balance as per last year	195.25		204.76	
	Less:- Transferred to Securities	-		9.51	
	Premium on exercise of options	-	195.25	-	195.25
	Surplus in the Statement of Profit and Loss				
	Balance as per last year	11,713.18		7,187.35	
	Profit for the year	13,595.00		11,144.19	
	Less:- Appropriations				
	Proposed Dividend	1,856.62		1,392.47	
	(Amount per Share ₹ 4.00 (P.Y. ₹ 3.00))				
	Tax on Proposed Dividend	315.53		225.89	
	Transferred to General Reserve	6,000.00		5,000.00	
	Total Appropriations	8,172.15		6,618.36	
	Net Surplus in the Statement of Profit and Loss		17,136.03		11,713.18
	Total Reserves and Surplus		63,743.09		52,320.24
5.	LONG TERM BORROWINGS (SECURED)	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>
	External (Foreign) Commercial	4,201.75	1,623.53	5,469.69	1,524.43
	Borrowings from Banks				
	Less:-Amount disclosed under the head	-	1,623.53	-	1,524.43
	Current Liabilities (Refer note No. 9)				
		4,201.75	-	5,469.69	-

- External (Foreign) Commercial Borrowing of ₹ 2,898.35 Lacs (P.Y. ₹ 3,558.79 Lacs) from ICICI Bank Ltd. Hong Kong branch is carrying interest for the first seven years @3M Libor + 1.52% P.A., eighth year @3M Libor + 2.04% P.A., ninth year @3M Libor + 2.54% P.A. The loan is repayable in 32 quarterly installments of USD 4,06,250.00 each from 22.07.2008. The loan is secured by an exclusive charge over all the 8 windmills along with related equipments/ machineries situated at Moti Sindholi, Kutch, Gujarat and personal guarantee of Sh. Prakash. M. Sanghvi, Chairman and Managing Director of the Company.

Notes to Financial Statements for the Year ended 31st March, 2013

- External (Foreign) Commercial Borrowing of ₹ 2,926.93 Lacs (P.Y. ₹ 3,435.33 Lacs) from ICICI Bank Ltd. Hong Kong branch is carrying interest @ 6M Libor + 4.52% P.A. The loan is repayable in 12 half yearly installments of USD 6,66,666.67 each from 22.07.2011. The loan is secured by an exclusive charge over 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.

(₹ in Lacs)

Note No	Particulars	As at 31-03-2013	As at 31-03-2012
6.	DEFERRED TAX LIABILITY		
	Fixed Assets: Impact of difference between tax depreciation and book depreciation	3,995.87	3,629.41
	DEFERRED TAX ASSETS		
	Impact of expenditure charged to the Statement of Profit and Loss but allowed for tax purpose on payment basis	-	(62.99)
		<u>3,995.87</u>	<u>3,566.42</u>
7.	SHORT TERM BORROWINGS		
	FROM BANKS - SECURED		
	Working Capital Loans (Refer note 7.1 and 7.2)		
	Cash Credit/Export Packing Credit facilities	42.99	36.94
	Working Capital Demand Loan	1,500.00	1,500.00
	Buyer's Credits in Foreign Currencies	-	9,569.16
		<u>1,542.99</u>	<u>11,106.10</u>
	FROM BANKS - UNSECURED		
	Other Loans and Advances (Refer note 7.3)		
	Export Packing Credit Facility	-	1,802.52
	Buyer's Credits in Foreign Currencies	6,182.70	9,032.76
		<u>6,182.70</u>	<u>10,835.28</u>
	FROM OTHERS - UNSECURED		
	Unsecured Loans from Related Parties (Refer note No. 32)	-	42.56
		<u>7,725.69</u>	<u>21,983.94</u>

- 7.1** Working Capital Loans are secured by - i) Hypothecation of Inventories, Books Debts, all other movables; ii) Second charge on Fixed Assets of the Company except, a) 8 windmills 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 leasehold land related to 8 windmills situated at Moti Sindholi, Kutch and 3Layer PE Coating Line and Offline Welding & Finishing Lines for HSAW plant situated at Survey No.474, Village Bhimasar, Tal. Anjar, Dist. Kutch.
- 7.2** Additional working capital loans in form of Buyer's Credits in Foreign Currencies of ₹ Nil Lacs (P.Y. ₹ 3,470.65 Lacs) from ICICI Bank Limited are secured by i) Hypothecation of Inventories, Books debts, all other movables by way of subservient charge. ii) Personal guarantee of Sh. Prakash. M. Sanghvi, Chairman and Managing Director of the Company.
- 7.3** Other Loans and Advances from banks payable on demand are secured by personal guarantee of Sh. Prakash. M. Sanghvi, Chairman and Managing Director of the Company.

Notes to Financial Statements for the Year ended 31st March, 2013

Note No	Particulars	As at	
		31-03-2013	31-03-2012
8.	TRADE PAYABLES		
	Trade Payables	10,059.79	9,551.26
		<u>10,059.79</u>	<u>9,551.26</u>

There are no Micro, Small and Medium Enterprise, 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.

9. OTHER CURRENT LIABILITIES

- Current maturity of Long Term Borrowings (Refer note no. 5)	1,623.53	1,524.43
- Interest Accrued but not due on Borrowings	80.58	48.54
- Unpaid Dividend*	45.78	37.07
- Other payable for capital expenditure	645.71	335.89
- Others		
- Interest free Advance from Customers	5,945.80	3,180.57
- Security Deposits from Employees	4.82	5.70
- Statutory dues payable	560.98	359.72
	<u>6,511.60</u>	<u>3,545.99</u>
	<u>8,907.20</u>	<u>5,491.92</u>

*Not due for credit to "Investor Education & Protection Fund".

10. SHORT TERM PROVISIONS

- Provision for Employee Benefits		
- Compensated Absences	139.99	260.78
- Gratuity Payable	0.97	-
- Other Provisions		
- Provision for Dividend	1,856.62	1,392.47
- Provision for Dividend Tax	315.53	225.89
- Provision for Income Tax (Net of Advance Tax and Tax deducted at Source)	972.98	241.33
- Provision for Wealth Tax	21.00	6.00
	<u>3,166.13</u>	<u>1,865.69</u>
	<u>3,307.09</u>	<u>2,126.47</u>

11. FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-04-2012	Additions	Disposals	As at 31-03-2013	As at 01-04-2012	For the Year	Deductions/ Adjustment	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
TANGIBLE ASSETS (OWN):										
Lease Hold Land	35.03	-	-	35.03	-	-	-	-	35.03	35.03
Freehold Land	196.92	-	-	196.92	-	-	-	-	196.92	196.92
Buildings	7,859.28	2,950.89	-	10,810.17	1,464.15	277.59	-	1,741.74	9,068.43	6,395.13
Plant & Machinery	48,283.41	3,504.08	246.84	51,540.65	19,785.81	3,698.10	86.40	23,397.51	28,143.14	28,497.60
Furniture & Fixtures	552.07	34.82	-	586.89	197.17	35.77	-	232.94	353.95	354.90
Office Equipments	728.95	57.36	0.64	785.67	349.02	68.78	0.04	417.76	367.91	379.93
Vehicles	892.00	113.88	67.36	938.52	296.47	91.13	41.53	346.07	592.45	595.53
TOTAL (A)	58,547.66	6,661.03	314.84	64,893.85	22,092.62	4,171.37	127.97	26,136.02	38,757.83	36,455.04
INTANGIBLE ASSETS (OWN):										
Software	318.62	143.71	-	462.33	95.80	75.88	-	171.68	290.65	222.82
TOTAL (B)	318.62	143.71	-	462.33	95.80	75.88	-	171.68	290.65	222.82
TOTAL (A+B)	58,866.28	6,804.74	314.84	65,356.18	22,188.42	4,247.25	127.97	26,307.70	39,048.48	36,677.86
PREVIOUS YEAR	52,928.51	6,143.57	205.80	58,866.28	18,066.41	4,249.15	127.14	22,188.42	36,677.86	

Notes:

- Additions/Disposals include adjustment of ₹ 443.73 Lacs (P.Y. ₹ 519.26 Lacs) in plant and machinery on account of exchange difference capitalised/decapitalised in fixed assets.

Notes to Financial Statements for the Year ended 31st March, 2013

(₹ in Lacs)

Note No	Particulars	As at 31-03-2013	As at 31-03-2012
12.	NON-CURRENT INVESTMENTS		
	(VALUED AT COST UNLESS STATED OTHERWISE)		
	NON-TRADE:		
	- Investment in Silver	0.79	0.73
	- Investment in Govt. Securities		
	National Savings Certificates	0.11	0.11
		<u>0.90</u>	<u>0.84</u>
13.	CURRENT INVESTMENTS		
	(VALUED AT LOWER OF COST AND FAIR VALUE)		
	INVESTMENT IN MUTUAL FUNDS (UNQUOTED)		
	1,40,008.425 (P.Y. 64,832.9905)	1,404.63	650.44
	Units of ₹ 10 each in SBI-Premier Liquid Fund Daily Dividend Option		
	1,49,111.189 (P.Y. Nil) Units of ₹ 10 each in SBI-MICF Liquid FP Daily Dividend Option	1,505.89	-
		<u>2,910.52</u>	<u>650.44</u>
	Aggregate amount of unquoted investments	<u>2,910.52</u>	<u>650.44</u>
14.	INVENTORIES		
	(VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)		
	Raw Materials		
	- Raw Materials	10,170.26	17,006.51
	- Raw Materials in Transit	286.15	574.46
		<u>10,456.41</u>	<u>17,580.97</u>
	Work-in-Process	8,108.24	8,033.79
	Finished Goods		
	- Finished Goods	2,585.19	1,218.90
	- Finished Goods in Transit	-	201.28
		<u>2,585.19</u>	<u>1,420.18</u>
	Stores and Spares	2,116.25	1,276.59
	Scrap	7.34	69.08
		<u>23,273.43</u>	<u>28,380.61</u>
15.	TRADE RECEIVABLES (Refer note no. 15.1)		
	(Unsecured, considered good unless stated otherwise)	Non-Current	Current
		Non-Current	Current
	Outstanding for a period exceeding six months from the date they are due for payment		
	- Considered good		591.00
	Other receivables		
	- Considered good	24,584.84	22,297.86
		<u>25,118.87</u>	<u>22,888.86</u>

15.1 The amount of Trade receivable is net of Bills discounted of ₹ 159.02 Lacs (P.Y. ₹ 178.76 Lacs) with bankers and therefore the same is not shown as liability.

Notes to Financial Statements for the Year ended 31st March, 2013

(₹ in Lacs)

Note No	Particulars	As at 31-03-2013		As at 31-03-2012	
16.	CASH AND BANK BALANCES				
	CASH AND CASH EQUIVALENT				
	- Balances with Banks in Current Accounts	1,988.85		4,709.71	
	- Deposits with original maturity of less than three months	3,950.00		2,300.00	
	- Balances with Banks in Unpaid Dividend Accounts	45.78		37.07	
	- Cash in Hand	12.07	5,996.70	11.81	7,058.59
	OTHER BANK BALANCES				
	- Deposits with original maturity of more than three months but less than twelve months		6.89		10.52
			<u>6,003.59</u>		<u>7,069.11</u>
17.	LOANS AND ADVANCES (Unsecured - Considered good)	Non-Current	Current	Non-Current	Current
	- Security Deposits	170.10	26.60	176.65	-
	- Advances recoverable in cash or kind	-	1,362.73	-	1,837.22
	- Capital Advance	405.79	-	142.00	-
		<u>575.89</u>	<u>1,389.33</u>	<u>318.65</u>	<u>1,837.22</u>
	Other Loans and Advances				
	- Advance Income Tax (net of provisions)	308.58	-	308.58	-
	- Prepaid Expenses	-	97.92	-	83.52
	- Loans to Employees	10.37	21.94	8.12	23.29
	- Balances with Excise Authorities	-	1,647.45	-	134.45
		<u>318.95</u>	<u>1,767.31</u>	<u>316.70</u>	<u>241.26</u>
		<u>894.84</u>	<u>3,156.64</u>	<u>635.35</u>	<u>2,078.48</u>
18.	OTHER CURRENT ASSETS				
	- Interest accrued		151.59		175.55
	- Export benefits receivable		24.35		48.19
			<u>175.94</u>		<u>223.74</u>

Notes to Financial Statements for the Year ended 31st March, 2013

(₹ in Lacs)

Note No	Particulars	Year ended on 31-03-2013	Year ended on 31-03-2012
19.	REVENUE FROM OPERATIONS		
	Sale of Products (Refer note no. 19.1)		
	- Finished Goods	117,115.63	122,093.50
	- Traded Goods	684.42	567.72
	Sale of Power generated from Wind Mills	1,542.40	1,501.92
	Sale of Services (Refer note no. 19.2)	3,691.34	2,306.31
	Other Operating Revenue		
	- Scrap Sales	2,710.54	2,208.69
	- Others	1,859.83	678.02
	Revenue from Operations (Gross)	<u>127,604.16</u>	<u>129,356.16</u>
19.1	Details of Products Sold		
	Finished goods sold		
	- Stainless Steel Tubes and Pipes	68,422.21	57,119.63
	- Carbon Steel Pipes	33,393.61	44,959.53
	- Carbon Steel Coated Pipes	15,299.81	20,014.34
		<u>117,115.63</u>	<u>122,093.50</u>
	Traded goods sold		
	- Others	684.42	567.72
		<u>684.42</u>	<u>567.72</u>
	Power generated from Windmills	<u>1,542.40</u>	<u>1,501.92</u>
		<u>1,542.40</u>	<u>1,501.92</u>
19.2	Details of Sale of Service		
	Jobwork charges - Stainless Steel Tubes and Pipes	17.44	24.06
	Jobwork charges - Carbon Steel bare and Coated Pipes	3,673.90	2,282.25
		<u>3,691.34</u>	<u>2,306.31</u>
20.	OTHER INCOME		
	- Interest Income on		
	Bank Deposits	113.76	59.05
	Inter-corporate Deposits	653.61	314.63
	Others	329.84	173.19
		<u>1,097.21</u>	<u>546.87</u>
	- Dividend Income on Current Investments	563.49	36.52
	- Bad debts/sundry balances written back	166.54	-
		<u>1,827.24</u>	<u>583.39</u>
21.	COST OF RAW MATERIALS CONSUMED		
	- Opening Inventory	17,580.97	23,933.14
	- Add: Purchases	67,558.27	72,364.37
		<u>85,139.24</u>	<u>96,297.51</u>
	- Less: Closing Inventory	10,456.41	17,580.97
	Cost of Raw Materials consumed	<u>74,682.83</u>	<u>78,716.54</u>

Notes to Financial Statements for the Year ended 31st March, 2013

Note No	Particulars	(₹ in Lacs)	
		Year ended on 31-03-2013	Year ended on 31-03-2012
21.1	Details of Raw Materials consumed		
	Stainless Steel plates, coils, billets, tubes and pipes	39,219.67	34,841.82
	Carbon Steel plates, coils and coating materials	35,463.16	43,874.72
		<u>74,682.83</u>	<u>78,716.54</u>
21.2	Details of Closing Inventories		
	Stainless Steel plates, coils, billets, tubes and pipes	5,994.55	7,777.38
	Carbon Steel plates, coils and coating materials	4,461.86	9,803.59
		<u>10,456.41</u>	<u>17,580.97</u>
22.	(INCREASE)/DECREASE IN INVENTORY		
	Inventories at the end of the year		
	- Work in Process	8,108.24	8,033.79
	- Finished Goods	2,585.19	1,420.18
	- Scrap	7.34	69.08
		<u>10,700.77</u>	<u>9,523.05</u>
	Inventories at the beginning of the year		
	- Work in Process	8,033.79	8,000.19
	- Finished Goods	1,420.18	1,924.80
	- Scrap	69.08	76.17
		<u>9,523.05</u>	<u>10,001.16</u>
	(Increase)/Decrease In Inventory		
	- Work in Process	(74.45)	(33.60)
	- Finished Goods	(1,165.01)	504.62
	- Scrap	61.74	7.09
		<u>(1,177.72)</u>	<u>478.11</u>
22.1	Details of purchase of traded goods		
	Others	476.60	349.85
		<u>476.60</u>	<u>349.85</u>
22.2	Details of Inventories at the end of the year		
	Work-in-process		
	- Stainless Steel Tubes and Pipes	4,184.33	5,178.67
	- Carbon Steel Pipes	3,923.91	2,855.12
		<u>8,108.24</u>	<u>8,033.79</u>
	Finished Goods		
	- Stainless Steel Tubes and Pipes	1,940.21	734.79
	- Carbon Steel Pipes	644.98	685.39
		<u>2,585.19</u>	<u>1,420.18</u>
	Scrap		
	- Stainless Steel	4.29	8.24
	- Carbon Steel	3.05	60.84
		<u>7.34</u>	<u>69.08</u>
		<u>10,700.77</u>	<u>9,523.05</u>

Notes to Financial Statements for the Year ended 31st March, 2013

(₹ in Lacs)

Note No	Particulars	Year ended on 31-03-2013	Year ended on 31-03-2012
23.	EMPLOYEE BENEFITS EXPENSE		
	Salaries, Wages and Bonus	6,202.18	4,927.03
	Contribution to Provident and Other Funds	330.37	283.43
	Gratuity expense (refer note no. 29)	116.77	35.95
	Staff Welfare Expenses	562.66	428.30
		<u>7,211.98</u>	<u>5,674.71</u>
24.	FINANCE COSTS		
	Interest	787.98	1,304.29
	Interest on Income Tax	107.94	-
	Bank charges	317.74	351.70
		<u>1,213.66</u>	<u>1,655.99</u>
25.	OTHER EXPENSES		
	Consumption of Stores & Spares	4,062.17	4,136.11
	Freight & Transport (net)	2,032.37	3,720.25
	Power & Fuel	3,251.20	2,891.10
	Labour & Processing Charges	1,974.46	1,759.16
	Repairs and Maintenance (Refer note no. 25.1)	683.86	688.78
	Quality Control	144.47	153.69
	Legal & Consultancy Charges	154.65	132.60
	Traveling & Conveyance Expenses	204.81	235.11
	Insurance (Refer note no. 28)	112.03	95.21
	Rent	117.56	61.90
	Rates & Taxes	142.21	73.34
	Auditors' Remuneration (Refer note no. 25.2)	29.84	23.88
	Advertisement & Other Expenses	90.94	88.15
	Foreign Exchange Fluctuation (net)	230.48	1,716.60
	Sales Commission	726.02	685.88
	Loss on Sale of Fixed Assets (net)	137.94	24.33
	(Increase)/Decrease in excise duty on Inventory	140.73	(37.53)
	Bad debts/ sundry balances written off	119.75	581.44
	Charity and Donations	68.69	32.08
	Directors' Sitting Fees	6.00	5.00
	Other Expenses	704.08	649.87
		<u>15,134.26</u>	<u>17,716.95</u>
25.1	Repairs and Maintenance		
	- Plant and Machinery	487.53	518.33
	- Buildings	173.21	153.69
	- Others	23.12	16.76
		<u>683.86</u>	<u>688.78</u>
25.2	Payments to Auditors		
	As Auditor:		
	- Audit Fee	22.50	17.50
	- Limited Review	5.35	4.95
		<u>27.85</u>	<u>22.45</u>

Notes to Financial Statements for the Year ended 31st March, 2013

Note No	Particulars	(₹ in Lacs)	
		Year ended on 31-03-2013	Year ended on 31-03-2012
	In other capacity:		
	- Taxation matters	0.50	0.70
	- Other Services	0.60	0.48
	- Reimbursement of expenses	0.89	0.25
		1.99	1.43
		29.84	23.88

26. CONTINGENT LIABILITIES

a) Bills discounted and not matured	159.02	178.76
b) ESI Liability (excluding interest leviable, if any)	218.17	196.86
c) Consolidated Tax payable to GIDC, Chhatral	6.33	17.83
d) Disputed Statutory Claims/levies for which the Company has preferred appeal in respect of (excluding interest leviable, if any) :		
- Income tax	77.84	-
- Excise Duty	1,647.15	1,851.46
- Custom Duty*	8,474.79	-

* The Custom Department has raised a demand of ₹ 8,474.79 Lacs based on its interpretation of Import license condition and resultant breach of the same by the company. The company is in the process of filing an appeal before the appellate tribunal. The Company has taken an external opinion in the matter based on which the management is of the view that no liabilities shall arise on the Company.

27. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 5,913.37 Lacs (P.Y. ₹ 6,869.28 Lacs).

28. The Company has paid premium of ₹ 10.84 Lacs (P.Y. ₹ 16.21 Lacs) on Key Man Insurance Policy of Chairman and Managing Director and Whole-time Directors, which is included in Insurance Expenses.

29. EMPLOYEE BENEFITS

	(₹ in Lacs)	
	2012-13	2011-12
A) Defined contribution to Provident Fund		
Employer's Contribution to Provident Fund	260.17	221.85
Employer's Contribution to Superannuation Fund	70.20	57.60
B) Defined Benefit Plans - Gratuity (Funded)		
a) Liability recognised in the Balance Sheet		
i) Present Value of obligation at the beginning of the Period	729.04	665.71
Current Service Cost paid	74.24	38.36
Interest Cost	61.97	29.88
Actuarial (Gain)/Loss	48.39	28.00
Benefit Paid	(25.75)	(32.92)
Present Value of obligation as at year end	887.89	729.03
Less:		
ii) Fair Value of Plan Assets at the beginning of the Period	741.17	665.71
Expected return on Plan Assets	63.00	54.92
Actuarial Gain/(Loss)	4.83	5.37
Employers' Contribution	103.67	48.09
Benefit Paid	(25.75)	(32.92)
Fair Value of Plan Assets as at year end	886.92	741.17
Amount recognised in the Balance Sheet	(0.97)	12.14

Notes to Financial Statements for the Year ended 31st March, 2013

	(₹ in Lacs)	
	2012-13	2011-12
b) Expenses during the year		
Service Cost	74.24	38.36
Interest Cost	61.97	29.88
Expected return on Plan assets	(63.00)	(54.92)
Actuarial (Gain)/Loss	43.56	22.63
Total	116.77	35.95
c) Actual Return on plan assets	67.83	60.29
d) Break up of Plan Assets as a percentage of total Plan Assets		
(Percentage or Value)		
Insurer managed Funds	100%	100%
e) The Company expects to contribute ₹ 103.30 lacs (P.Y ₹ 62.11 lacs) to gratuity in the next year.		
f) Principal actuarial assumptions		
Rate of Discounting	8.25%	8.50%
Expected return on Plan Assets	8.70%	8.50%
Rate of increase in Salaries	8.00%	8.25%
Attrition Rate	2.00%	1.00%

The Employees' Gratuity Fund Scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. In assessing the Company's post retirement liabilities, the Company monitors mortality assumption and uses up-to-date mortality table. The base being the LIC 1994-96 ultimate tables. The obligation for leave encashment is recognised in the same manner as gratuity.

Amount for the current and previous four periods are as follows:

	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	887.89	729.03	665.71	526.14	456.70
Plan assets	886.92	741.17	665.71	540.91	435.14
Surplus/(deficit)	(0.97)	12.14	-	14.77	(21.56)
Experience adjustment on plan liabilities	28.18	(17.75)	2.33	1.25	44.34
Experience adjustment on plan assets	4.83	5.37	6.28	6.63	6.99

30. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company provides share-based payment schemes to its employees. During the year ended 31st March, 2013, an Employee Stock Option Scheme (ESOS) was in existence. The relevant details of the scheme and the grant are as below:

During the financial year 2005-06, the board of directors of the Company approved the Equity Settled ESOS Scheme 2006 (Scheme 2006) for issue of stock options to the permanent employees and independent directors of the company. Scheme 2006 was approved at the Extra Ordinary General Meeting by the Members of the company held on 6th May, 2006. According to the Scheme 2006, the employees were selected by the compensation committee, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 8 years (Original exercise period was 5 years which was further extended for a period of 3 years in the Annual General Meeting of the company held as on 18.08.2011). The Company has used 'Intrinsic value' method as defined in SEBI guidelines. The other relevant terms of the grant are as below:

Notes to Financial Statements for the Year ended 31st March, 2013

Vesting period	3 Years
Exercise period	8 Years
Expected life	8 Years
Exercise price (per share)	₹ 59.40
Market price at the date of issue	₹ 82.80
No. of Options of face value of ₹ 2/- each, authorized by the plan*	2,250,000

*The number of options were granted and vested completely and the Exercise price per option was adjusted on account of sub -division of equity share having face value of ₹10/- each into five equity shares of face value of ₹ 2/- each.

The details of activity under the Scheme 2006 are summarised below :

Particulars	2012-13		2011-12	
	No. of Options	WAEP (₹)	No. of Options	WAEP (₹)
Outstanding at the beginning of the year	834,391	59.40	875,041	59.40
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	40,650	59.40
Outstanding at the end of the year	834,391	59.40	834,391	59.40
Exercisable at the end of the year	834,391	59.40	834,391	59.40

The price of ₹ 59.40 per equity share was fixed for exercise of options by employees. The weighted average share price at the date of exercise is ₹ Nil (P. Y. ₹ 91.95) per share.

Amount under employee stock options represents, the difference between the market price of the share on the date of grant of options and the exercise price of the options on outstanding options and will be transferred to securities premium on exercise of the options.

31. SEGMENT INFORMATION

The Company is engaged in the business of Steel Tubes and Pipes and generation of power by Windmills. In accordance with the requirements of Accounting Standard 17, 'Segment Reporting', notified under the Companies (Accounting Standards) Rules, 2006, the Company's business segments are considered primary reportable business segments. Segments have been identified in line with Accounting Standard on Segment Reporting (AS-17) taking into account the nature of product and differential risk and returns.

Notes to Financial Statements for the Year ended 31st March, 2013

Primary Reportable Segment (Business Segment)

(₹ in Lacs)

Particulars	Steel Tubes and Pipes	Windmill	Total
Revenue			
Revenue from Operations	126,045.49 (127,844.23)	1,558.67 (1,511.93)	127,604.16 (129,356.16)
Less:- Excise Duty	7,491.41 (7,182.14)	-	7,491.41 (7,182.14)
Net Sales	118,554.08 (120,662.09)	1,558.67 (1,511.93)	120,112.75 (122,174.02)
Inter Segment Sales	-	-	-
Total Sales	118,554.08 (120,662.09)	1,558.67 (1,511.93)	120,112.75 (122,174.02)
Results			
Segment Results before Interest and Finance Costs	19,024.23 (14,322.96)	679.86 (665.75)	19,704.09 (14,988.71)
Interest and Dividend Income			1,660.70 (583.39)
Interest and Finance Costs			1,213.66 (1,655.99)
Net Profit Before Tax			20,151.13 (13,916.11)
Other Information			
Segment Assets	91,917.94 (92,372.92)	7,447.37 (7,794.40)	99,365.31 (100,167.32)
Unallocable Assets			3,503.48 (1,270.93)
Total Assets	91,917.94 (92,372.92)	7,447.37 (7,794.40)	102,868.79 (101,438.25)
Segment Liabilities	17,395.67 (13,704.28)	8.17 (26.71)	17,403.84 (13,730.99)
Unallocated Liabilities and Provisions			20,793.55 (34,458.71)
Total Liabilities	17,395.67 (13,704.28)	8.17 (26.71)	38,197.39 (48,189.70)
Segment Depreciation	3,672.97 (3,671.65)	574.28 (577.50)	4,247.25 (4,249.15)
Capital Expenditure:			
Tangible Fixed Assets	6,557.99 (5,971.64)	103.04 (143.48)	6,661.03 (6,115.12)
Intangible Assets	143.71 (28.45)	-	143.71 (28.45)

Note: Figures in brackets represent previous year's amount.

Secondary Reportable Segment (Geographical by Customers)

(₹ in Lacs)

Particulars	In India	Outside India	Total
Segment Revenue	85,736.49 (93,315.32)	34,376.26 (28,858.70)	120,112.75 (122,174.02)
Segment Assets	99,674.71 (95,349.28)	3,194.08 (6,088.97)	102,868.79 (101,438.25)

Notes to Financial Statements for the Year ended 31st March, 2013

32. RELATED PARTY DISCLOSURES

As required by Accounting Standard - AS 18 "Related Parties Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, the details are as follows :

A. Relationships

(a) Key Management Personnel

- Mr. Prakash M. Sanghvi – Chairman and Managing Director
- Mr. Jayanti M. Sanghvi – Whole-time Director
- Mr. Shanti M. Sanghvi – Whole-time 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)

(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.

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	(₹ in Lacs)	
	2012-13	2011-12
Interest Expense		
- Ratnamani Food Products Private Ltd.	34.05	41.92
- Ratnamani Marketing Private Ltd.	-	0.50
Rent Expense		
- Ratnamani Food Products Private Ltd.	13.04	3.18
- Ratnamani Marketing Private Ltd.	15.12	-
Electricity Expense		
- Ratnamani Marketing Private Ltd.	0.38	-
Reimbursement of Expense		
- Ratnamani Healthcare Private Ltd.	1.75	-
Other Purchases		
- Ratnamani Healthcare Private Ltd.	4.60	-
Remuneration		
- Mr. Prakash M. Sanghvi – Chairman and Managing Director	1,038.18	674.58
- Mr. Jayanti M. Sanghvi – Whole-time Director	629.56	446.26
- Mr. Shanti M. Sanghvi – Whole-time Director	486.79	243.92
- Mr. Manoj P. Sanghvi	34.88	23.69
- Mr. Prashant J. Sanghvi	23.46	18.29
- Mr. Nilesh P. Sanghvi	20.48	15.94
- Mr. Jigar P. Sanghvi	3.09	1.89
Receipt of Loans		
- Ratnamani Food Products Private Ltd.	2,610.50	4,130.65
- Ratnamani Marketing Private Ltd.	-	500.25

Notes to Financial Statements for the Year ended 31st March, 2013

	2012-13	(₹ in Lacs) 2011-12
Repayment of Loans		
- Ratnamani Food Products Private Ltd.	2,610.50	4,162.37
- Ratnamani Marketing Private Ltd.	-	500.05
Outstanding payable as at year end		
- Mr. Prakash M. Sanghvi – Chairman and Managing Director	953.18	503.53
- Mr. Jayanti M. Sanghvi – Whole-time Director	572.17	302.42
- Mr. Shanti M. Sanghvi – Whole-time Director	381.64	201.84
- Mr. Manoj P. Sanghvi	1.24	1.34
- Mr. Prashant J. Sanghvi	0.93	1.04
- Mr. Nilesh P. Sanghvi	0.84	0.90
- Mr. Jigar P. Sanghvi	0.22	0.20
- Ratnamani Food Products Private Ltd. (Interest)	-	37.73
- Ratnamani Marketing Private Ltd. (Interest)	-	4.83
- Ratnamani Food Products Private Ltd. (Rent)	-	2.86
- Ratnamani Healthcare Private Ltd.	(0.11)	-
33. VALUE OF IMPORTS CALCULATED ON CIF BASIS (ON ACCRUAL BASIS)		
Raw Materials	24,673.97	32,578.49
Components and Spare Parts	1,484.54	508.92
Capital Goods	2,383.15	2,163.86

34. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

	2012-13		2011-12	
	%	(₹ in Lacs)	%	(₹ in Lacs)
Raw Materials				
Indigenous	56.59	42,266.29	57.86	45,545.36
Imported	43.41	32,416.54	42.14	33,171.18
	100.00	74,682.83	100.00	78,716.54
Components and spare parts				
Indigenous	77.31	3,140.40	92.65	3,918.11
Imported	22.69	921.77	7.35	310.61
	100.00	4,062.17	100.00	4,228.72

35. Earnings in Foreign Exchange: Export at F.O.B. value ₹ 34,376.26 Lacs (P.Y. ₹ 28,858.70 Lacs).

36. Expenditure in Foreign Currency for Traveling and other matters ₹ 1,729.46 Lacs (P.Y. ₹ 2,610.50 Lacs) (on accrual basis).

	2012-13	2011-12
Finance costs	674.45	702.61
Freight and transport	162.81	1,285.46
Sales commission	733.37	513.92
Traveling expenses	17.78	59.56
Advertisement expenses	34.67	37.89
Other expenses	106.38	11.06
Total	1,729.46	2,610.50

Notes to Financial Statements for the Year ended 31st March, 2013

37. PRIOR PERIOD ITEMS

Prior period items of ₹ Nil Lacs (P.Y. ₹1,712.87 Lacs) pertains to the impact of reversing timing difference on depreciation.

38. EARNINGS PER SHARE (EPS)

		2012-13	2011-12
i) Profit as per Statement of Profit & Loss	(₹ in Lacs)	13,595.00	11,144.19
ii) Weighted average No. of shares for EPS computation			
a) For Basic EPS (Nos)	(Lacs)	464.16	463.93
b) For Diluted EPS (Nos)	(Lacs)	466.51	466.28
Earnings per Share (Basic)	(₹)	29.29	24.02
Earnings per Share (Diluted)	(₹)	29.14	23.90
Nominal Value of Shares	(₹)	2.00	2.00

39. DERIVATIVE INSTRUMENTS AT YEAR END

Sr. No.	Particulars	31-03-2013	31-03-2013	31-03-2012	31-03-2012	Purpose
		Amount (₹ In Lacs)	Foreign Currency (In Lacs)	Amount (₹ In Lacs)	Foreign Currency (In Lacs)	
1	Forward Contracts (Sale)	1,017.26	USD 18.00	3,903.16	USD 75.00	Hedge of highly probable foreign currency sale
2	Forward Contracts (Purchase)	83.98	USD 1.53	-	-	Hedge of highly probable foreign currency purchase
3	Interest Rate Swaps	2,926.93	USD 53.33	3,435.33	USD 66.67	Hedging of interest liability

40. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT YEAR END:

Sr. No.	Particulars	Currency	31-03-2013	31-03-2013	31-03-2012	31-03-2012
			Amount (₹ in Lacs)	Foreign Currency (in Lacs)	Amount (₹ in Lacs)	Foreign Currency (in Lacs)
1	Import trade payable	EUR	192.16	2.72	213.36	3.09
		USD	1,345.07	24.51	3,722.01	72.23
		AUD	-	-	8.06	0.15
2	Import trade receivable (advance payment made)	EUR	181.69	2.63	18.88	0.28
		USD	22.48	0.42	155.17	3.06
		AED	-	-	1.76	0.13
		GBP	0.23	-	-	-
		JPY	1.20	2.10	-	-
3	Export trade receivable	EUR	532.70	7.71	443.08	6.57
		USD	2,854.04	52.79	5,703.35	112.47
4	Export trade payable (advance payment received)	USD	3,087.50	56.26	1,266.09	24.57
5	Short term foreign currency loans	EUR	1,722.44	24.38	1,286.40	18.63
		JPY	-	-	793.22	1,255.50
		USD	4,460.26	81.27	18,324.58	355.61
6	Balance in EEFC account	USD	-	-	2,791.08	55.04
7	Long term foreign currency loans	USD	5,825.28	106.15	6,994.17	135.73

Notes to Financial Statements for the Year ended 31st March, 2013

Closing Rates as at 31st March, 2013:

INR/USD = ₹ 54.88 (Payable)
INR/USD = ₹ 54.06 (Receivable)
INR/EUR = ₹ 70.66 (Payable)
INR/EUR = ₹ 69.06 (Receivable)
INR/JPY = ₹ 0.5719 (Receivable)
INR/GBP = ₹ 81.90 (Receivable)

Closing Rates as at 31st March, 2012:

INR/USD = ₹ 51.53 (Payable)
INR/USD = ₹ 50.71 (Receivable)
INR/EUR = ₹ 69.05 (Payable)
INR/EUR = ₹ 67.44 (Receivable)
INR/AED = ₹ 13.54 (Receivable)
INR/JPY = ₹ 0.6381 (Payable)
INR/CHF = ₹ 57.42 (Payable)
INR/AUD = ₹ 53.72 (Payable)

41. Previous year figures have been regrouped/reclassified where necessary to conform to this year's classification.

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants
ICAI Firm Registration No: 106250W

per PRAKASH D. SHAH

Partner
Membership No. 34363

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration No: 101049W

per ARPIT K. PATEL

Partner
Membership No. 34032

For Ratnamani Metals & Tubes Limited

P. M. SANGHVI
Chairman and
Managing Director

S. M. SANGHVI
Whole Time Director

DR. V. M. AGRAWAL
Director

VIMAL KATTA
Vice President (Finance)

J. M. SANGHVI
Whole Time Director

D. C. ANJARIA
Director

P. M. MEHTA
Director

VIRAG Y. JOSHI
Company Secretary

Place : Ahmedabad
Date : May 27, 2013

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 Divyabhush C. Anjarla	Director
Dr. Vinod M. Agrawal	Director
Shri Pravinchandra M. Mehta	Director

Registered Office

17, Rajmugat Society,
Naranpura Char Rasta,
Naranpura, Ahmedabad – 380 013
Gujarat
Web : www.ratnamani.com

Bankers

State Bank of India
IDBI Bank
ICICI Bank

Auditors

M/s Mehta Lodha & Co., Chartered Accountants
S. R. Batliboi & Associates LLP, Chartered Accountants

Cost Auditors

M/s N. D. Birla & Co., Cost Accountants

Works

SS Tubes and Pipes Division

Survey No. 769,
Ahmedabad – Mehsana Highway
Village: Indrad, Nr. Chhatral GIDC,
Taluka: Kadi, Dist: Mehsana, Gujarat

Saw Pipe Division

Plot No. 3306-3309,
GIDC, Chhatral,
Taluka: Kalol, Dist: Gandhinagar,
Gujarat

Kutch Division

Survey No. 474,
Village: Bhimasar, Taluka: Anjar
Dist: Kutch, Gujarat

Sales Offices

404-B, Sukh Sagar Building,
N. S. Patkar Marg, Chowpatty,
Mumbai – 400 007
Maharashtra

516, Ansal Chambers,
II Bhikaji Cama Place,
New Delhi – 110 066



**WE ARE AT THE HEART
OF THE CORE SECTOR**

INDUSTRIES





Registered Office

17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad – 380013 Gujarat
Web : www.ratnamani.com

Works : Survey No. 769, Ahmedabad-Mehsana Highway,
Indrad, Nr. Chhatral G.I.D.C., Chhatral - 382 729, Ta. Kadi,
Dist. Mehsana. North Gujarat (INDIA)

Phone : +91 - 2764 - 232254, 233766
Fax : +91 - 2764 - 234105, 233098
E-mail : info.sstp@ratnamani.com
Internet : http://www.ratnamani.com



RMTL/SEC/2013

15th July, 2013

To,
BSE Ltd.
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building,
P. J. Tower, Dalal Street,
Fort,
Mumbai - 400 001

Kind Attn.: General Manager, DCS-CRD

Company Code No. : 520111 (BSE)

Company Code Symbol: "RATNAMANI" Series: EQ

Sub.: Annual Report for the year 2012-13

Dear Sir,

The Annual General Meeting of the Company would be held on Monday, 12th August, 2013 wherein Accounts for the year 2012-13 would be approved together with necessary resolutions as mentioned in the Notice. This is for your information and records.

As per Clause 31 of the Listing Agreement soft copy of the Annual Report for the year 2012-13 is filed in the BSE Corporate Compliance and Listing Centre for easy availability/accessibility to the Investors on your website. The soft copy of the Form A duly signed pertaining to Audit Report has also been filed along with said Annual Report which please note.

Thanking you,

Yours faithfully,
For RATNAMANI METALS & TUBES LTD.


VIRAG JOSHI
COMPANY SECRETARY

Encl.: As above

Regd. Office:

17, Rajmugat Society, Naranpura Cross Road, Ankur Road, Naranpura, Ahmedabad - 380 013. Gujarat, India

Phone : +91-79-27415501 / 2 / 3 / 4

Fax : +91 - 79 - 27480999

E-mail Add.: info@ratnamani.com

Internet : http://www.ratnamani.com

Regd. Office :
17, Rajmugat Society, Naranpura Char Rasta,
Ankur Road, Naranpura,
Ahmedabad - 380 013, Gujarat, INDIA


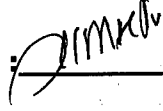


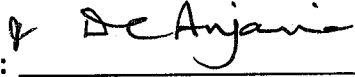
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Fax : +91 - 79 - 27480999
E-mail : info@ratnamani.com
Website : http://www.ratnamani.com



RATNAMANI[®]
METALS & TUBES LTD.

FORM A

**Format of covering letter of the annual audit report to be filed with the
Stock Exchange**

1.	Name of the company	Ratnamani Metals & Tubes Ltd
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	<u>Prakash M Sanghvi</u> • Managing Director	 _____
	<u>Vimal Katta</u> • CFO	 _____
	<u>M/s Mehta Lodha & Co.</u> • Auditors of the company	 _____
	<u>M/s S R Batliboi & Associates LLP</u> • Joint Auditors of the Company	 _____
	<u>D. C. Anjaria</u> • Audit Committee Chairman	 _____

