Corporate Office:
The First, A Wing, 9th Floor, Behind Keshav Baug Party Plot,
The First Avenue Road, Off 132 ft Ring Road,
Vastrapur, Ahmedabad - 380015 Gujarat, India
Phone : +91-79-29601200/1/2
Fax : +91-79-29601210
E-mail : info@ratnamani.com
Website : http://www.ratnamani.com

RATNAMANI® METALS & TUBES LTD.

RMTL/SEC/REG.34(3)/2020-21/26XI 26th November, 2020

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

Sub: Addendum to the Annual Report for the financial year ended on March 31, 2020

Ref.: Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is with reference to the 36th Annual Report of the Company for the financial year ended on March 31, 2020, in which total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, was inadvertently not included in the Corporate Governance Report which forms a part of the Annual Report, originally submitted by us on dated August 6, 2020.

Hence, the aforesaid details are upated on page no.70 (after point no.4.13) of the 36th Annual Report of the Company for the financial year March 31, 2020, as mentioned below:

4.14 Fees paid to Statutory Auditors

During the year, total amount for all services, paid by the Company and its subsidiary, on a consolidated basis to the Joint Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part, are as under:

(₹ in Lakhs)

Payments to Joint Statutory Auditors	
As Auditors:	
Audit Fee	27.45
Limited Review	13.50
	40.95
In other capacity:	
Certification	1.83
Reimbursement of expenses	2.77
	4.60
Total	**45.55**

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Website : http://www.ratnamani.com

RATNAMANI®
METALS & TUBES LTD.

Further, the updated version of the said Annual Report have been uploaded on the website of the Company at www.ratnamani.com

Further, the said addendum has no impact on the statement of Profit and Loss Account of the Company for the financial year ended on March 31, 2020 and also there is no other revision in the printed 36th Annual Report of the Company for the financial year ended on March 31, 2020.

Please take the above on your record and bring it to the notice of the shareholders.

Thanking you,

Yours faithfully,
For, RATNAMANI METALS & TUBES LIMITED

JIGAR HARSHADKUMAR SHAH

Digitally signed by JIGAR HARSHADKUMAR SHAH
Date: 2020.11.26 16:45:05 +05'30'

JIGAR SHAH
COMPANY SECRETARY

Encl.: As above

RATNAMANI
METALS & TUBES LTD.

Regd. Office: 17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad – 380 013.
CIN: L70109GJ1983PLC006460, **Phone No.:** 079-29601200/01/02, **Fax No.:** 079-29601210
E-mail: investor@ratnamani.com, **Website:** www.ratnamani.com,

ADDENDUM TO THE 36TH ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020 FOR THE ATTENTION OF THE SHAREHOLDERS OF THE COMPANY

It is hereby informed to the shareholders of the Company that while finalization of printed / electronic copy of the 36th Annual Report for the financial year ended March 31, 2020 (Herein after "Annual report"), the following paragraph was inadvertently got omitted, on the page no.70, after point no.4.13 in the Corporate Governance Report section and the said Annual Report was forwarded without the same, to the shareholders on August 4, 2020:

Therefore, all the concerned Shareholders of the Company are requested to take note of the following addition in the aforesaid 36th Annual Report of the Company:

4.14 Fees paid to Statutory Auditors

During the year, total amount for all services, paid by the Company and its subsidiary, on a consolidated basis to the Joint Statutory Auditors, and all entities in the network firm/network entity of which the statutory auditor is a part, are as under:

(₹ in Lakhs)

Payments to Joint Statutory Auditors	
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	4.60
Total	**45.55**

Further, the said addendum has no impact on the statement of Profit and Loss Account of the Company for the financial year ended on March 31, 2020 and also there is no other revision in the printed 36th Annual Report of the Company for the financial year ended on March 31, 2020.

Thanking you,

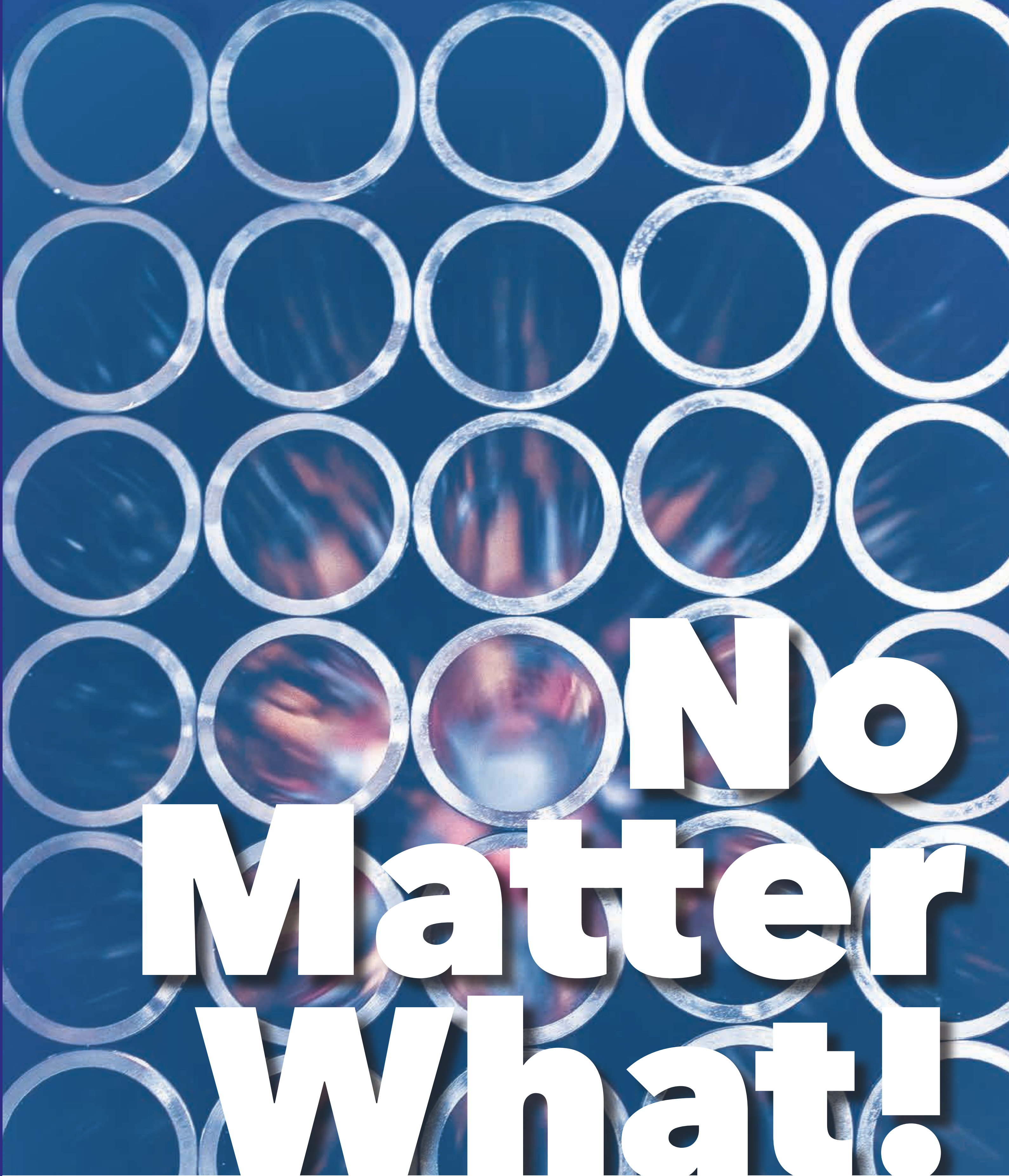
Yours faithfully,

For, RATNAMANI METALS & TUBES LIMITED

JIGAR HARSHADKUMAR SHAH Digitally signed by JIGAR HARSHADKUMAR SHAH
Date: 2020.11.26 16:35:37 +05'30'

JIGAR SHAH
COMPANY SECRETARY

Encl.: Annual Report 2019-20



No Matter What!

36th
Annual
Report
2019-20

RATNAMANI®
METALS & TUBES LTD.
Prosperity through Performance

Corporate Information

BOARD OF DIRECTORS

Shri Prakash M. Sanghvi	*Chairman & Managing Director*
Shri Jayanti M. Sanghvi	*Joint Managing Director*
Shri Shanti M. Sanghvi	*Whole Time Director*
Shri Divyabhash C. Anjaria	*Independent Director*
Dr. Vinodkumar M. Agrawal	*Independent Director*
Shri Pravinchandra M. Mehta	*Independent Director*
Smt. Nidhi G. Gadhecha	*Independent Woman Director*

KEY MANAGERIAL PERSONNEL

Shri Vimal Katta	*Sr. Vice President (F & A) / C. F. O.*
Shri Jigar Shah	*Company Secretary and Legal Head*

AUDIT COMMITTEE

Shri Divyabhash C. Anjaria	*Chairman*
Dr. Vinodkumar M. Agrawal	*Member*
Shri Jayanti M. Sanghvi	*Member*
Smt. Nidhi G. Gadhecha	*Member*

NOMINATION AND REMUNERATION COMMITTEE

Shri Divyabhash C. Anjaria	*Chairman*
Dr. Vinodkumar M. Agrawal	*Member*
Shri Pravinchandra M. Mehta	*Member*

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri Divyabhash C. Anjaria	*Chairman*
Dr. Vinodkumar M. Agrawal	*Member*
Shri Jayanti M. Sanghvi	*Member*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Pravinchandra M. Mehta	*Chairman*
Shri Prakash M. Sanghvi	*Member*
Shri Jayanti M. Sanghvi	*Member*

BANKERS

IDBI Bank Limited | ICICI Bank Limited | Axis Bank Limited |
HDFC Bank Limited | Citi Bank

STATUTORY AUDITORS

M/s. S R B C & Co., LLP, Chartered Accountants

M/s. Kantilal Patel & Co., Chartered Accountants

INTERNAL AUDITORS

M/s. G. K. Choksi & Co., Chartered Accountants

COST AUDITORS

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

SECRETARIAL AUDITORS

M/s. M. C. Gupta & Co., Company Secretaries

REGISTERED OFFICE

17, Rajmugat Society, Naranpura Char Rasta,
Ankur Road, Naranpura, Ahmedabad-380013
CIN: L70109GJ1983PLC006460
Phone: +91-79-27415504
Email Id: info@ratnamani.com
Website: www.ratnamani.com

CORPORATE OFFICE

The First, A & B Wing, 9th Floor,
Behind Keshav Baug Party Plot,
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Phone: +91-79-29601200/1/2
Fax: +91-79-29601210
Email Id: info@ratnamani.com
Website: http://www.ratnamani.com

WORKS

SS TUBES AND PIPES DIVISION
Survey No.423, Ahmedabad-Mehsana Highway,
Village Indrad, Nr. Chhatral GIDC, Taluka: Kadi,
Dist: Mehsana-382715, North Gujarat
Phone: 02764-234254/63, Fax: 02764-234105

SAW PIPE DIVISION (CS PIPES DIVISION)
Plot No. 3306-3309, GIDC Estate, Chhatral Phase IV,
Ahmedabad-Mehsana Highway, P.O. Chhatral,
Taluka: Kalol, Dist: Gandhinagar-382729, Gujarat.
Phone: 02764-232234, 233918
Fax: 02764-233859

KUTCH DIVISION
Survey No. 474, Anjar-Bhachau Road,
Village: Bhimasar, Taluka: Anjar, Dist: Kutch, Gujarat
Phone: 02836-285538-39
Fax: 02836-285540, 285261, 285262

SALES OFFICE

MUMBAI
Panchsheel Plaza, B-Wing, 2nd Floor,
55 Gam Devi Road,
Nr. Dharam Palace, Mumbai-400007
Phone: 022-43334555, Fax: 022-43334575

NEW DELHI
402, 4th Floor, Bhikaji Cama Bhawan,
Bhikaji Cama Place, New Delhi-110066
Phone: 011-46152724

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
5th Floor, 506 to 508,
Amarnath Business Centre-1 (ABC -1),
Besides Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C. G. Road, Navrangpura,
Ahmedabad-380009,
Phone: 079-26465179
Email Id: ahmedabad@linkintime.co.in

Across the Pages

For online version of the annual report, please visit

http://www.ratnamani.com/investors_relations.html

Investor Information

BSE Market Capitalisation as at 31st March, 2020	₹ 4,240.10 Crore
NSE Market Capitalisation as at 31st March, 2020	₹ 4,221.87 Crore
BSE Code	520111
NSE SYMBOL	RATNAMANI
Bloomberg Code	RMT:Natl India
Interim and Final Dividend declared and paid	₹ 12 per Share
AGM Date	27th August, 2020
AGM Mode	Video conferencing

Disclaimer: This document contains statements about expected future events and financials of Ratnamani Metals & Tubes Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

A perfect mix of robust business model, manufacturing capacities and committed actions have allowed us to emerge successful with a steady year on year growth. With reliable products and strong execution capabilities, we have yet again created and delivered sustainable solutions for our customers even during turbulent times.

We have consistently thrived to better ourselves which has in turn positioned us as one of the leaders in the industry providing a varied range of pipes and tubes products. Delivering on our promises made, we have continuously developed the best-in-class products and services thereby creating value for the stakeholders without being largely impacted by unusual disruptions.

No Matter What! We are...

Performance **Highlights** **FY 2019-20**

Financial*

₹ 2,644.98 Crore
Revenue

₹ 307.50 Crore
PAT

Intellectual

3
Testing facilities

3+
Decades experience

PAT: Profit after tax. *All the above figures are on consolidated basis

Manufacturing

3
State-of-the-art manufacturing facilities

₹ 437.19 Crore
Capex till 31st March, 2020

Natural

4,26,73,074 units
Energy generated from renewable sources

Social

₹ 4.88 Crore
CSR spend

4,811
People benefitted

4,414
Students benefitted

3,679
Trees planted

Human

2,279
Employees

10.72 years
Average Employee Tenure

About **Ratnamani Metals & Tubes Limited**

A multi-location, multi-product Company providing critical tubing and piping solutions across diverse sectors in India and globally.

Established in 1983, Ratnamani Metals & Tubes Limited ('Ratnamani' or 'the Company') is one of the leading manufacturers of high-quality Tubes & Pipes in Stainless Steel/Exotic and Carbon Steel Welded Pipes in the country.

Underpinned by a solid foundation, rich experience and diversified product portfolio, Ratnamani today has grown to become a significant player, catering to dynamic needs of clients across industries.

Headquartered in Ahmedabad, the Company has three state-of-the-art manufacturing facilities at Chhatral, Indrad and Kutch in Gujarat. Carving a niche for itself, Ratnamani provides critical Tubing and Piping Solutions across a varied range of industries and niche markets in the core sectors like:

Oil & Gas
Refineries
Thermal Power
Nuclear Power
Chemicals
Petrochemicals
Fertilizers

Water Distribution
Sugar
Food & Dairy
Paper
Pharmaceutical
Automobiles
Defence

Aeronautics
Space Applications
Ship Building
Pumping Station
Infrastructure

Ratnamani today

Largest Manufacturer

- Stainless Steel Seamless and Welded Pipes & Tubes in India
- Nickel Alloy Pipes & Tubes and Titanium Welded Tubes in India

Among Major Manufacturers

of Carbon Steel Welded Pipes (ERW, L-SAW & H-SAW)

Three World-class Manufacturing Facilities

at Chhatral, Indrad and Kutch in Gujarat

Our Robust Business Model

INPUTS

Financial Capital

Our financial capital includes the pool of funds available with us, including debt and equity. We use these funds in business activities from daily operations to expansions.

Manufacturing Capital

Our manufacturing capital constitutes of production calibre to cater to the diverse range of industries. It also includes all the physical assets used for manufacturing Tubes & Pipes. Over the years we have continued to invest towards this capital and build capacities for fulfilling varied sector requirements.

Intellectual Capital

Our intellectual capital reflects our strengths and technical prowess that we have gathered since inception. Our production and inhouse all testing capabilities, that meet the specific requirements form diverse sectors, mirrors our innovation quotient.

Social Capital

Our social capital is a reflection of our belief, well-defined ethos and values. It demonstrates our commitment to give back to the society thereby generating an inclusive growth and development. We endeavour to develop and nurture communities that have helped us grow.

Human Capital

Our human capital is our pride. For us, it is the most vital link of whole organisation and equals our power. Being a people-driven Company, our employees possess right knowledge, skills and experience that enables us to strengthen our value proposition.

Natural Capital

Our natural capital comprises all renewable and non-renewable resources like land and water that help in swift execution of operations. We focus on minimising the natural resources consumption to limit the impact of our operations on the environment.

VALUE ENABLERS

VISION

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

Exceeding customer expectations with innovative products and applications

Building value for all our stakeholders

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

MAKING A DIFFERENCE IN OUR SPACE THROUGH

Our Products and Services

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

Our People

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

Our Practices

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

Our Innovative Mindset

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

Our Conduct

- Providing a safer workplace
- Respecting the environment
- Caring for communities

MISSION

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

VALUES AND INTEGRITY

Customer Focus

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

Passion

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

Innovation

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

Respect

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

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

Integrity

Being true to the purpose and transparent.

Responsibility

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

Discipline

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

OUTPUT

Financial

21.57% Upside change in Profit after Tax

18.00% Return on Equity

11.84% Return on Capital Employed

₹ 12.00 per Share Interim and Final Dividend declared and paid

Manufacturing

The Country's **Largest manufacturer** of Stainless Steel Seamless and Welded Pipes & Tubes

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

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

Intellectual

19 industries served

Over **4** category of pipes manufactured

Social

59 Sanitary complexes built

1,228 Students benefitted through Ratnamani Education Campus

397 Female beneficiaries of our vocational training module

Human

2,279 Employees

35,905 Man-hours training

6.69% Attrition rate

Natural

3,679 Trees planted

27,000 Kwh Windmills installed

37.8 Kwh Solar energy harnessed

Note: Kwh - Kilo watt hours, MT - Metric Tons

No Matter What!

We are Performing

Revenue from Operations
(₹ in Crore)

2019-20	2,644.98
2018-19	2,796.13
2017-18	1,799.18
2016-17	1,425.54
2015-16	1,735.15

EBITDA
(₹ in Crore)

2019-20	485.77
2018-19	447.75
2017-18	298.35
2016-17	271.22
2015-16	303.56

PAT
(₹ in Crore)

2019-20	307.50
2018-19	252.93
2017-18	151.79
2016-17	144.30
2015-16	165.22

Net Worth
(₹ in Crore)

2019-20	1,738.83
2018-19	1,557.78
2017-18	1,350.91
2016-17	1,234.20
2015-16	1,092.40

Cash Generated from Operations
(₹ in Crore)

2019-20	360.24
2018-19	310.93
2017-18	208.03
2016-17	202.96
2015-16	222.36

Earnings per Share
(₹)

2019-20	65.81
2018-19	54.13
2017-18	32.48
2016-17	30.88
2015-16	35.36

Book Value per Share
(₹)

2019-20	372.12
2018-19	333.37
2017-18	289.10
2016-17	264.12
2015-16	233.78

Return on Equity
(%)

2019-20	18.00
2018-19	16.62
2017-18	11.60
2016-17	12.16
2015-16	15.82

EBITDA: Earnings before interest, tax, depreciation, and amortisation less other non-operating income.
PAT: Profit after tax. RoCE: Return on Capital Employed. *All the figures are on standalone basis

From the CMD's Desk

"No matter what! Ratnamani stayed ahead with a robust core, strong preparedness, resolute strategies and deep insights across business segments."

Dear Shareholders,

I am happy to share that even amid a volatile environment in 2019-20, the Company continued its growth journey in a sustainable way. No matter what! Ratnamani stayed ahead with a robust core, strong preparedness, resolute strategies and deep insights across business segments.

Since the last quarter of 2019-20, economies across the world are witnessing testing times owing to the COVID-19 pandemic. At Ratnamani, we are all working hard to bring back normalcy to our lives, and ensure safety of our employees and communities.

2019-20 was a challenging year for the Indian economy. Weak consumer sentiment, slackening demand and liquidity crunch contributed to stunted GDP growth of 4.2% during the year. With sluggish manufacturing activities, Index of Industrial Production (IIP) growth, turned unfavourable. The Government and the Reserve Bank of India (RBI) responded with prompt fiscal and monetary measures to counter the outbreak of virus and protect the economy that had come to a near standstill state. The Government also announced fiscal support under the 'Aatma Nirbhar Bharat Abhiyan' on May 12, 2020 with an intention to inject ₹ 20.9 trillion into the economy. In addition, the clarion call given by the Hon'ble Prime Minister to go 'vocal for local' aims to promote competitiveness of local produce vis-a-vis global brands. The resultant impact shall lead to a gradual recovery in the medium term.

The Steel Pipes and Tubes industry witnessed headwinds towards the end of the year owing to COVID-19 induced supply chain disruptions, falling global crude oil prices and deferred projects. However, given the strong Government impetus on infrastructure sector and wide end-user application, the industry displays positive outlook in the future.

Ratnamani emerged even stronger backed by diversified products with global benchmark quality, manufacturing efficiency and superior project execution skills. No matter what, we continued to explore opportunities and expand capacities, contributing to the stakeholders' value creation and the nation's prosperity at large.

Our Performance

Against the challenging backdrop, we delivered steady performance on the back of a strong order book, flexible product line from Stainless Steel to Welded Carbon Steel Pipes to Coating and Induction Bend solutions in various grades along with efficient raw material management. Our Stainless Steel division experienced sturdy order book from domestic and international clients. The Company posted a total revenue of ₹ 2,644.98 Crore during FY 2019-20. Profit after tax grew 21.57% from ₹ 252.93 Crore in 2018-19 to ₹ 307.50 Crore in 2019-20. Order book for the year stood at ₹ 1,160 Crore. To deal with the pandemic, we adopted adequate safety measures, realigned mobility, and enhanced digital working capabilities for our employees.

As one of the leading steel pipes and tubes manufacturers in the country, we remained insulated despite plunging oil prices and COVID-19 related disruption. Over the short-term, demand from various industries moderated due to the pandemic impact. However, over the medium-term, various end-user sector outlook is positive, as rapid urbanisation and various schemes undertaken by the Government is expected to revive demand. Presently, the country is highly dependent on imports for its natural gas requirement. As a result, increased Government focus on expanding the country's Natural Gas pipeline, Oil and Gas transmission and City Gas Distribution infrastructure will continue to fuel the demand for high quality ERW pipes. We stand to benefit immensely on the back of consistent demand from the petrochemicals segment and ambitious capacity expansions of refineries along with development of new grass-root refineries. Moreover, the Company is looking forward to leverage the opportunities from the upcoming LNG terminals on the western coast of the country. Being a preferred supplier of pipes and tubes worldwide, we are all set to tap the opportunities in Thermal, Nuclear and Solar Energy sector, Fertilizers, Atomic Energy, Aerospace, and Water sector as well.

Internationally, the Gulf countries, US, Europe, South East Asia, and Africa offer multiple opportunities for the Company's quality products. Ratnamani is approved by Saudi Aramco for its stainless steel tubes and pipes backed by its brand reputation and recognition in the market. The Company is also set to capitalise on the export opportunities owing to its price, location and quality edge.

Capacity Enhancement

We continued to invest aggressively into product innovation and expansion of our manufacturing capacities. I am pleased to announce successful commissioning of our new Hot Extrusion Press which will enhance our capacities to manufacture upto 10" NPS Seamless products in both Stainless Steel as well as in Nickel Alloys and Inconel. The challenges posed by the pandemic have resulted in approval delays. However, the Company expects to commence production by fourth quarter of the financial year 2020-21. I am proud to state that the Company will be the first player in the country to manufacture such range of import-substitute product.

Our new state-of-the-art manufacturing facility at Kutch will establish global competitiveness of the L-SAW division. The Company has further plans to expand finishing capacity in the ERW segment. The added capacities will help us strengthen our share in the domestic and global markets.

Caring for the Communities

The Company believes in striking a balance between environmental sustainability and socio-economic development. In 2019-20, we touched numerous lives through our initiatives in skill development, education, health and environment protection. Even during the lockdown, we continued to engage in activities that complemented Government's relief efforts by distributing medicines, meals, food kits and PPEs.

Looking Ahead

I would like to reiterate that our business model is highly resilient with financial stability, optimised cost structure, reliable products and sizeable manufacturing capabilities. Therefore, I am confident that we will successfully pass through this turbulence and continue with the implementation of our long-term growth strategy and value creation for stakeholders.

I would like to thank all our employees for their hard work and commitment throughout the year. I would also like to thank our stakeholders for their continued support as we look forward to a brighter year ahead. We are well-poised to take off on a robust trajectory and enter new realms of growth and profitability.

Prakash M Sanghvi
Chairman and Managing Director

No Matter What!
We are Growing

Commencing our journey with twin small-scale units of Stainless-Steel Welded Pipes & Seamless Tubes, we have grown manifold. Gathering the experience on our way, we have added products in our basket that cater to the various industries across 19 sectors.

STAINLESS STEEL DIVISION

PRODUCTS

Heat Exchanger Tubes

- Stainless Steel Seamless Tubes
- Stainless Steel Welded Tubes
- Titanium Welded Tubes
- Seamless Nickel Alloy Tubes

Stainless Steel Seamless Instrumentation Tubes

Stainless Steel Pipes

- Stainless Steel Seamless Pipes
- Stainless Steel Welded Pipes
- Stainless Steel 3LPE (3-LayerPolyethylene) / 3LPP (3-LayerPolypropylene) Coated Pipes

END-USER INDUSTRIES

- Oil & Gas
- Refineries & Petrochemicals
- Chemicals & Fertilizers
- Pulp & Paper
- De-salination
- Nuclear, Thermal & Solar Power Plants
- Defence
- Atomic Energy
- Aerospace

CARBON STEEL DIVISION

PRODUCTS

High Frequency Electric Resistance Welded (HFW-ERW) Pipes

END-USER INDUSTRIES

- Oil & Gas
- Pipelines
- City Gas Distribution
- General Purpose Applications
- Water Supply
- Structural Pipes Systems

PRODUCTS

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

END-USER INDUSTRIES

- Oil & Gas Pipelines
- Spur Lines
- Pipes for Potable Water
- Refineries & Petrochemicals
- Power Plant – Cooling Water, Auxiliary Cooling Water Line & Ash Handling Line
- Water & Sewerage
- Structural – Piling & Casing Pipes and Structural Columns
- Distribution Lines for Irrigation Systems
- Other industrial uses – Pipes for Fertilizer Plants, Mining, Dredging Pipes, Air Ducts, etc.

PRODUCTS

Pipe Coating Solutions

EXTERNAL:

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

INTERNAL:

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

END-USER INDUSTRIES

- Oil & Gas Pipelines
- Water Pipelines
- Effluent Lines

PRODUCTS

Induction Bends

END-USER INDUSTRIES

- Refineries
- Power Plants
- Structural Pipes
- Oil & Gas Pipelines
- Other Industries

No Matter What! We are Expanding Globally

We cater to a diverse range of industries across Oil & Gas, Power, Water Distribution Pharmaceutical, Defence and Fertilizers, among many others. Pipelines in these sectors are known for reaping long-term benefits by bringing down transportation and operational cost. Globally, we have expanded our presence in all major oil producing and other nations where demand for pipelines is on the rise.

Being a market leader in Stainless Steel Pipes and Tubes industry in the country, we are also a partner of choice in the niche industry of nickel, titanium and exotic steel alloy products. Our state-of-the-art facilities provide us with the capabilities to handle small, medium and large projects of any specifications. Today, with the help of advanced technology, we are able to align our production facilities to manufacture superior quality tubes with specific grade, size and thickness. This allows us to leverage our capacities and make the most of the opportunities in sun rising sectors across the globe.

1	CANADA	10	RUSSIA	19	OMAN	28	EGYPT
2	UK	11	BANGLADESH	20	ITALY	29	TANZANIA
3	GERMANY	12	MYANMAR	21	NIGERIA	30	THAILAND
4	FRANCE	13	PERU	22	INDONESIA	31	CHILE
5	SOUTH KOREA	14	USA	23	BRAZIL	32	MEXICO
6	SPAIN	15	KUWAIT	24	MALAYSIA	33	UAE
7	JAPAN	16	QATAR	25	SINGAPORE	34	TURKEY
8	BELGIUM	17	BAHRAIN	26	AUSTRALIA	35	PHILIPPINES
9	THE NETHERLANDS	18	SAUDI ARABIA	27	SOUTH AFRICA		

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its Directors, Officers or Employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

No Matter What! We are Building Capacities

We have made requisite capacity expansions from time to time to build the best-in-class manufacturing facilities, achieve higher efficiencies and become a leaner organisation. Moving in the right direction, we have set up, country's first and one-of-its-kind, high capacity Hot Extrusion facility for Seamless Stainless Steel Pipes and matching cold finishing capacities.

Even amid challenging times, the Company is ready to tap on these opportunities with its recent capacity enhancement initiatives. This will help us further consolidate our leadership position in Stainless Steel Tubes & Pipes products. With the commissioning of new Hot Extrusion Press, we will be well-prepared to manufacture upto 10" NPS Seamless products in both Stainless Steel as well as in Nickel Alloys and Inconel. We expect the Extrusion Press to be ready for commercial production by December 2020.

We also undertook a greenfield expansion project by adding capacities in L-SAW pipes by setting-up a new facility at Kutch location. This plant is also expected to be ready for commercial production by December 2020.

Ongoing Trials and Future Plans

- Steam Generator Tubing, MSR and Critical Tubing for Nuclear Power Plants
- Spool fabrication facility to cater to project requirements.
- Manufacturing of Stainless Steel Seamless Tubes in Grade UNS S31050 for Carbamet Condenser for Fertilizer Plants
- Manufacturing of Seamless Boiler Tubing for various Ultra Super Critical Power Plants
- Expansion of finishing capacity in ERW segment

No Matter What!

We are Consistently Strengthening Our Competitiveness

OPPORTUNITIES TO LEVERAGE

The Government of India has undertaken various measures aimed at propelling the growth of the economy and key sectors. For instance, it has increased focus on becoming gas-based economy by expanding cross country pipelines and City Gas Distribution infrastructure in Oil & Gas segment. With improved thrust on Rural Drinking Water via 'Nal Se Jal' in Water sector, the Government is efficiently addressing the issue of water scarcity in the country. Moreover, growing impetus on the Energy sector through ambitious capacity enhancement programs present huge opportunities for domestic pipes and tubes players like us to seize it and grow.

Healthy prospects of the end-user industries will continuously drive demand for steel pipes and tubes. A diversified product portfolio, forward-looking innovation approach, and resilient strategies make us ready to capitalise on all potential opportunities.

Expansion of oil refineries

Particulars	Existing capacity December 2019 (MMTPA)	2025E (MMTPA)
Refining Capacity	249.3	304.3
CAGR (%) (FY21-25E)		5.1%

National gas grid expansion

Particulars	Existing capacity (kms)	2025E (kms)
Total Pipeline Commissioned	~17,000 kms	~30,000 kms
Addition of		~13,000 kms

City Gas Distribution (CGD) project

CGD rounds	Till 8th round	9th round offered	10th round offered
GA's Offered	86 (till 8th round)	86	50
Length of Steel pipeline (inch-km)	50,216*	116,000	58,000
Domestic PNG Connections expected	5,596,155*	22,100,000	20,200,000
CNG stations	1,758*	4,603	3,578

*Status completed till June 2019
Note: GA - Geographical Area

Government spending trend on key water projects

(₹ Crore)

Project	2016-17	2017-18	2018-19	2019-20*	2020-21#
Rural Drinking Water	6,000	7,000	5,400	9,400	11,200
AMRUT	4,900	4,900	6,200	6,400	7,300
Namami Gange	1,700	700	700	400	800

Source: Union Budgets (*Revised Estimates and #Budgeted Estimates)
Note: AMRUT - Atal Mission for Rejuvenation and Urban Transformation

Partnering Social Transformation

At Ratnamani, our strong belief in bringing about social transformation through our sustainability initiatives continues to motivate us, and connect with more people from various communities. The Company engages with communities to primarily work in the areas of healthcare, education, skill development, and environment conservation.

₹ **4.88** Crore

Spend on CSR initiatives during 2019-20

Our Contribution to Combat COVID-19

As a responsible organisation, we joined hands with the Government of Gujarat in the fight against COVID-19 and worked together to mitigate the effects of the crisis. The Company also adopted all possible measures required for the health, safety and well-being of its people and society at large.

Nurturing a Better Future through Education Initiatives

At Ratnamani, we are committed to enrich the lives of young children near our location, by providing them access to better education and facilitate their all-round development.

- Adopted 16 Anganwadi for toddlers along with supporting Prathmik Shalas and High Schools
- Contributed to improve infrastructure and other facilities in school at Nenava
- Focused on the health and hygiene of girl children by providing them 100% cotton innerwear
- Distributed school uniforms and study material to children
- Transformed lives of school dropouts taking care of their needs such as education, nutrition and making them job ready

- Persistent efforts resulted in an increase in number of students from 32 to 149 in 10th standard with 100% result in high school at Nenava

4,414

Children benefitted

Improving Access to Quality and Affordable Healthcare

Health is an important aspect of community development. We constantly endeavour to deliver quality and affordable healthcare facilities for the communities in our vicinity.

- Donated a van to the Renal Foundation, as a part of kidney health awareness program across North Gujarat
- Provided hygiene kit to dialysis patients from economically backward families
- Contributed ₹ 3 Crore to Satya Sai hospital in Kasindra, Dholka, near Ahmedabad, for paediatric healthcare

200

Health beneficiaries

Supporting a Greener Ecosystem

By conserving water, using green energy and reducing our carbon footprints, we are helping communities thrive around our manufacturing locations and restore ecological balance.

- Aspired to adopt solar energy across our plants with successful rooftop solar project executed at manufacturing plant in Indrad
- Planted organic native trees in the vicinity of our manufacturing locations following the Japanese Miyawaki theory of developing a micro jungle
- Deepened the community Talab and planted trees in the surroundings under the initiative 'Sujalam Sufalam'
- Contributed in saving the sparrow from becoming endangered species by converting boxes into sparrow nest
- Initiated rain water harvesting project at Gandhidham

3,679

Trees planted around the manufacturing plants

10,000

Scientifically-designed sparrow nests distributed free of cost

Creating Livelihood Opportunities in Rural Areas

- Planning to establish an ITI in Gandhidham which will offer skill development courses to youth and enhance employment opportunities
- Empowering women in Banaskantha district by teaching sewing and embroidery techniques since last five years
- Created employment during COVID-19 crisis by giving orders for 100% cotton masks to local women and supplied across Government healthcare facilities, police department among others

397

Women benefitted through vocational training courses

Board of Directors

From right to left: Shri Divyabhash C. Anjaria, Smt. Nidhi G. Gadhecha, Shri Shanti M. Sanghvi, Shri Prakash M. Sanghvi, Shri Jayanti M. Sanghvi, Dr. Vinodkumar M. Agrawal and Shri Pravinchandra M. Mehta

Shri Prakash M. Sanghvi

Shri Prakash M. Sanghvi is the promoter and Executive Director on the Board of the Company. He has over 44 years of experience in the Metal Industry and overall Corporate Management covering corporate strategy, developments to functional management.

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

Shri Jayanti M. Sanghvi

Shri Jayanti M. Sanghvi is the promoter of the Company and Executive Director on the Board of the Company. He has over 41 years of experience in Corporate H.R. Management, Administration, Corporate Communication, Liasoning and Corporate Procurement.

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

Shri Shanti M. Sanghvi

Shri Shanti M. Sanghvi is the promoter of the Company and Executive Director on the Board of the Company. He has over 39 years of experience in Corporate Relations, Business Development and Customer Management.

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

Shri Pravinchandra M. Mehta

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

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

Dr. Vinodkumar M. Agrawal

Dr. Vinodkumar M. Agrawal is an Independent Non-Executive Director on the Board of the Company with soft business skills.

Shri Divyabhash C. Anjaria

Shri Divyabhash C. Anjaria is an Independent Non-Executive Director on the Board of the Company having rich experience in the field of international finance and financial markets. He is an M.B.A. from IIM, Ahmedabad and has worked with Citi Bank and UTI.

Smt. Nidhi G. Gadhecha

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

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

STATUTORY REPORTS

Management Discussion and Analysis

Economic Overview

Global Economy

Financial year 2019-20 witnessed a synchronised slowdown in both the advanced as well as developing economies across the globe. While the trade activities remained weak overall, some green shoots of recovery had started to emerge towards the end of the year. However, the unexpected outbreak of Coronavirus (COVID-19) pandemic disrupted the socio-economic balance across the world. The response to avoid the spread of this pandemic was a multi-phased lockdown resulting in restricted movement of people, goods and services.

The global output growth in 2019 was registered at 2.9%, slowest since the global financial crisis of 2008, owing to a decline in manufacturing activity, trade war between China and the US, tighter financial conditions and the COVID-19 pandemic. The growth in advanced economies declined from 2.2% in 2018 to 1.9% in 2019. While the Emerging Market and Developing Economies (EMDE) also saw a drop in growth from 4.5% in 2018 to 3.7% in 2019.

According to the IMF estimates, the world GDP is estimated to grow negatively at -4.9% in 2020 and rebound in 2021 with a modest uptick to 5.4%.Stringent containment measures and social distancing policies have led to a sharp contraction in economic activities and growth prospect of countries worldwide. However, it is expected that the strong policy support and fiscal reforms will enable strong and sustainable growth recovery once the pandemic fades.

Indian Economy

The Indian economy witnessed a cyclical slowdown owing to weak private consumption, sluggish manufacturing activities and muted investments. The Government of India announced various measures to revive the economy, with the Reserve Bank of India (RBI) complementing with an accommodative policy stance for most parts of the year. India's external sector gained stability in the first half of 2019-20, with a narrowing of Current Account Deficit (CAD) and impressive Foreign Direct Investment (FDI). Crude oil prices also exhibited stability for most part of the year before seeing a sharp fall to historic lows in the last couple of months of 2019-20.

The Government also took significant steps such as corporate tax rate cut and easing of credit, particularly for the stressed real estate and financial sector. At the same time, measures taken to boost investment, particularly under the National Infrastructure Pipeline, presented green shoots for growth. However, the inopportune COVID-19 outbreak in March 2020, brought the entire nation to a standstill. The consequent nationwide lockdown impacted business activities in all the segments of the economy. As a result, the GDP of 2019-20 plunged to an11-year-low of 4.2% and the growth of eight core industries declined to 0.6%.

The Government announced several measures to boost the healthcare segment, strengthen wage support and cash transfers for the lower-income households, deferred tax payments as well as provided liquidity support across sectors. In addition, a financial package worth of ₹ 20 lakh Crore has been announced by the Government to support the economy and create an 'Atmanirbhar Bharat'. However, the likely duration, intensity and spread of the coronavirus has brought lot of uncertainty into the economic outlook. In the near term, the negative impact of the health crisis on economic growth and sentiment may be modestly mitigated by higher Government spending, a brighter outlook for crop yields and emergency stockpiling of essential items. Furthermore, the fall in commodity prices would provide some cushion to earnings in the near term.

Results Overview

The country witnessed lockdown being implemented in the second fortnight of March 2020. This impacted the business operations of the Company to a certain extent. The Company started resuming operations in its manufacturing plants, taking all safety precautions as per guidelines from the Government. The revenue from operations decreased to ₹ 2,583.14 Crore in 2019-20 from ₹ 2,754.90 Crore in 2018-19. Profit after Tax for the year stood at ₹ 307.50 Crore, growing by 21.57% over the previous financial year.

Key Financial Ratios for the FY 2019-20 compared to the FY 2018-19

Reference	Particulars	FY 2019-20	FY 2018-19	Change %
	PROFITABILITY RATIOS (%)			
(a)	Operating Profit Margin	18.37	16.01	14.69
(b)	Net Profit Margin*	11.63	9.05	28.52
(c)	Return on Net Worth	18.00	16.62	8.32
	WORKING CAPITAL RATIOS			
(d)	Debtors Turnover (Days)#	45.86	67.59	32.15
(e)	Inventory Turnover (Days)$	102.39	77.11	(32.78)
	GEARING RATIOS			
(f)	Interest Coverage^	20.38	-	(100.00)
(g)	Debt / Equity^	0.12	-	(100.00)
	LIQUIDITY RATIO			
(h)	Current Ratio	2.65	2.91	(9.00)

*New Lower Tax Rates as introduced by Taxation Laws (Amendment) Ordinance, 2019

Better Average Credit Terms

$ Procurement of Raw Materials against orders in hand

^ ECB and Term Loan facility availed in the previous year

Steel Pipes and Tubes Industry

India is one of the key producer and consumer of steel pipes and tubes globally. Steel is the primary raw material of steel pipes and tubes. India produced 111.2 million tons (MT) steel in 2019. The market size of domestic steel pipes industry is ₹ 330 billion as on March 2020. The industry has shown a steady CAGR of 8.2% over the last 10 years. Wide range of high-quality and customised products made from carbon steel, alloy steel and stainless steel, accreditations, location advantage and cost has driven the consistent growth of this industry.

MANAGEMENT DISCUSSION AND ANALYSIS

The industry faced challenges towards the end of the year owing to falling global crude oil prices, temporary lockdowns due to COVID-19 and delayed projects. However, the demand outlook for steel pipes and tubes remains positive driven by rising impetus on infrastructure sector and application in various end-user industries such as Transportation, Construction, Oil & Gas, Power, Petrochemicals, Fertilizers, Irrigation, Sewage, and Water among others.

The global Steel Pipes and Tubes market is forecasted to display a CAGR of 7.9% and grow from USD 153.20 billion in 2019 to USD 278.84 billion by 2027. Global pipeline projects are expected to bring potential growth opportunities in the Steel Pipe industry with major demand coming from Gulf countries and Asia, while US is expected to drive replacement demand. The Asia-Pacific Region occupied the largest market share in 2019, and it is forecast to witness a CAGR of 8.4% during 2020-2024. A rise in the growth trajectory of industrial production and infrastructure, especially in developing economies, is expected to boost the market for steel tubes and pipes over the coming years.

The Company is well placed to leverage its manufacturing efficiency and price competitiveness. After establishing ourselves as one of the leading infrastructure product manufacturers in the country, we are all geared to make our presence felt in countries like Australia, Canada, Germany, Qatar, UAE, and Middle East, among others.

(Source: https://www.reportsanddata.com/report-detail/steel-pipes-and-tubes-market)

> **After establishing ourselves as one of the leading infrastructure product manufacturers in the country, we are all geared to make our presence felt in countries like Australia, Canada, Germany, Qatar, UAE, and Middle East, among others.**

Stainless Steel, Nickel Alloy & Titanium Division

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

Expanding Manufacturing Capabilities

Ratnamani will grow into a different league of manufacturing capabilities with the commissioning of new Hot Extrusion Press this year, which will enhance its capacity to manufacture upto 10" NPS Seamless products in both Stainless Steel as well as in Nickel Alloys and Inconel. We expect the Extrusion Press to be ready for commercial production by fourth quarter of the financial year 2020-21. Successful commissioning of this project is an important priority for the division. The Company is putting in efforts to stabilise the plant & machinery faster and establish superior product quality to cater to the requirements of Seamless Pipes and Boiler Tubes in various sectors.

Oil & Gas, Petrochemicals and Refineries Sector

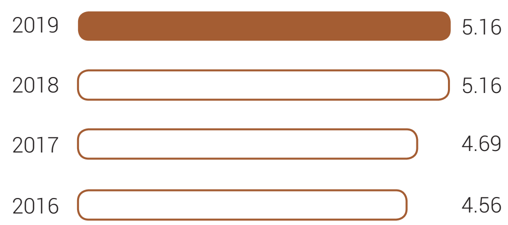
The Oil & Gas sector in India is amongst the eight core industries. The country's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The steel pipes market is driven through rising demand from the Oil & Gas industry. ~8%-10% of the total capital allocation in Oil Refineries, Petrochemicals, LNG terminals is allocated towards steel pipes (Stainless Steel & Carbon Steel Pipes and Tubes).

India retained its spot as the third largest consumer of oil in the world with consumption of 5.16 million barrels per day (mbpd) in 2019 as compared to 4.56 mbpd in 2016. Crude Oil import rose sharply to USD 101.4 billion in 2019-20 from USD 70.72 billion in 2016-17.

Gas consumption is projected to reach143.08 billion cubic metres (bcm) by 2040. The Government is planning to invest USD 2.86 billion in the upstream oil and gas production to double the natural gas production to 60 bcm and drill more than 120 exploration wells by 2022. India's natural gas imports increased at a CAGR of 12% during FY 2015-16 to FY 2019-20.

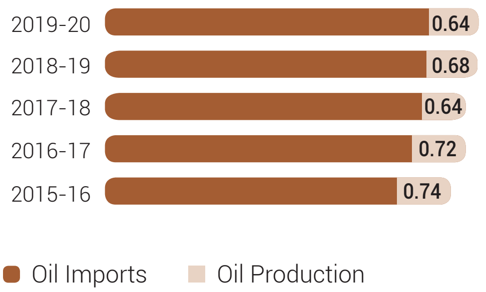
The country has 23 refineries, out of which 18 are in the public sector, two in the joint sector and three in the private sector. Top three companies, IOC, RIL and BPCL contribute almost 70% of India's total refining capacity.

Oil Consumption in India (mbpd)



Note: mbpd–Million Barrels Per Day

Imports and Domestic oil Production in India (mbpd)

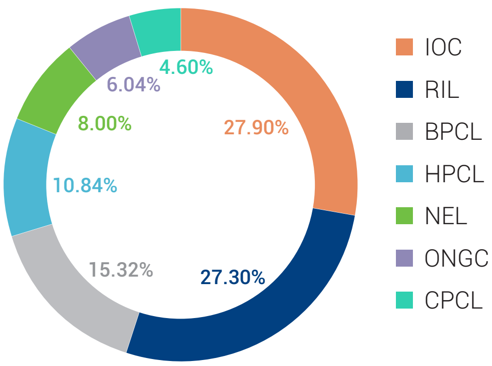


(Source: Ministry of Petroleum and Natural Gas, BP Statistical Review 2019, IBEF)

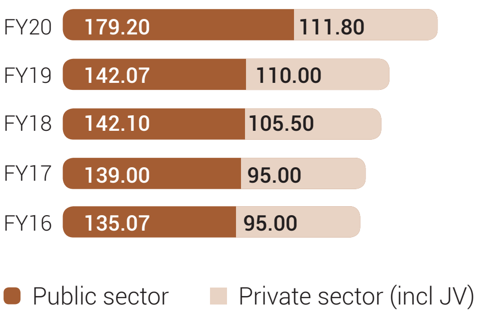
As of May 01, 2020, India's oil refining capacity stood at 249.9 million metric tonnes (MMT), making it the second largest refiner in Asia. With expected increase in consumption of petroleum products, total demand is likely to rise to 335 MMT by 2030 and 472 MMT by 2040. India plans to almost double its oil refining capacity to 450-500 MMT in the next ten years to meet the rising domestic fuel demand as well as cater to export market.

MANAGEMENT DISCUSSION AND ANALYSIS

Shares in India's Total Refining Capacity (as of March 1, 2020)



Total Installed Refinery Capacity (MMT)



India has witnessed a steady increase in production as well as consumption of petroleum products over the years. India's consumption of petroleum products grew by 4.5% from 213.22 MMT in 2018-19 to 213.69 MMT during 2019-20.

The country has been the fourth-largest Liquefied Natural Gas (LNG) importer since 2011 after Japan, South Korea, and China. India's natural gas imports increased at a CAGR of 12% during 2015-16 to 2019-20. LNG import in the country accounted for about one-fourth of total gas demand, which is estimated to double over the next five years. To meet this rising demand the country plans to increase its LNG import capacity to 50 MT in the coming years.

With the lockdown implemented during March 2020 on account of COVID-19 and recent fall in global crude oil prices to USD 20, a medium-term slowdown is expected in terms of investments for Oil & Gas sector. Industries across the globe are facing severe situations in terms of order booking, execution and availability of manpower. It is expected that there will be a cascading effect of this in the subsequent financial year as well.

However, the business outlook for stainless steel pipes manufactures continues to remain stable for the next two-three years on account of higher consumption of petroleum products, rapid urbanisation and also increased penetration of natural gas.

Moreover, stainless steel, nickel alloy and inconel are highly durable and resistant to corrosion. Stainless steel is a perfect material to contain the corrosive nature of crude oil in sub-sea conditions such as deep-sea drilling.

During the FY 2019-20, majority of the oil producing companies in India and globally (particularly in the Middle East like Abu Dhabi and Saudi Arabia) have finalised major orders on EPCs. These EPCs are in the process of concluding various orders on their sub-contractors and hence, the Company expects better demand for the stainless steel division.

Domestically, expansion and efficiency improvement programme in various refineries such as BPCL, HPCL among others is expected to generate higher revenues for majority of the products in the division. A new Grass Root Refinery at Barmer, HPCL Rajasthan Refinery Ltd. (HRRL) has finalised a major contract with Indian EPC's. Ratnamani is well-poised to capitalise on this opportunity in the future through strong order inflow. Internationally, mainly the demand from Gulf region, will be a major contributor for the growth of the division.

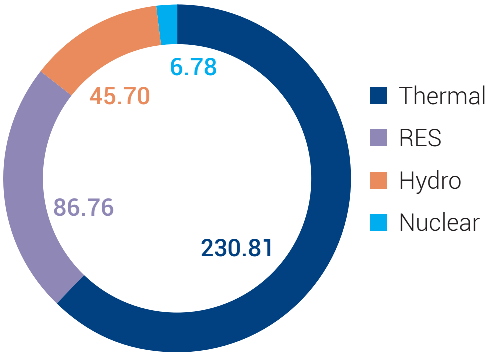
With rich experience of supplying welded pipes to domestic LNG Terminals, the division is very well placed to cater to global LNG EPCs. Overall, the Company stands strong to leverage opportunities with diverse products, strong order book and manufacturing efficiencies despite challenging environment.

Power – Thermal, Solar and Nuclear Sector

Energy is considered crucial to achieve India's development ambitions and support an expanding economy. The various applications of steel pipes & tubes (Carbon Steel Pipes, Stainless Steel Pipes & Titanium Alloy Tubes) in thermal and solar power plants include piping applications in ducts, chimneys and condensers. Other application include Steam piping, General Piping, High Pressure Piping, Feed Water Heaters, Boilers and Heat Exchanger Tubes.

With a customer base of more than 200 Million and service outreach spanning nearly 3.28 Million sq. km, the Indian power system is one of the largest in the world. All India peak demand for electricity is expected to grow from 173 GW to 370 GW by 2032 at a CAGR of ~5.6%, leading to higher investment in the transmission space. The total domestic power plant (thermal, nuclear and other renewable sources) capacity stands around 330 GW as of March 2020 and expected to reach 480 GW by 2025-27E. Around 5% of total capex invested in power plant expansion goes towards steel pipes & tubes.

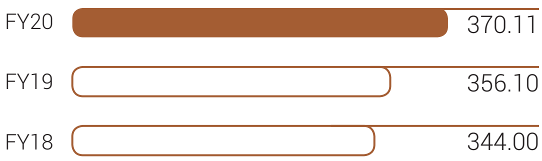
Installed Capacity for Different Sources of Power in FY 2019-20 (GW)



Note: RES - Renewable Energy Sources, GW-Gigawatt

(Source: IBEF)

Installed Electricity Generation Capacity (GW)



(Source: IBEF)

MANAGEMENT DISCUSSION AND ANALYSIS

The COVID-19 lockdown measures have slowed completion of several projects in the power sector. They are likely to be pushed by a few months to 2021. However, with rapid urbanisation, improved farm mechanisation and higher emphasis on setting up industries on account of 'Make in India' process, the sector is expected to expand considerably. Any capacity expansion in thermal, solar and nuclear plants will generate positive demand for steel pipes (both Stainless Steel and Carbon Steel). With newer opportunities and initiatives in the energy space, the Company is well positioned to surge ahead, backed by reliable critical Heat Exchanger Tubes for thermal, solar and nuclear power plants across the globe.

In India, nuclear power plants of 7,000 megawatt (MW) capacity are currently under various phases of construction. Government is planning to add around 20,000 MW nuclear power generation capacity over the next decade. The Nuclear Power Corporation of India Ltd. (NPCIL) is also in process of enhancing the capacity of its nuclear power capacity across the country. With reliable quality product and competitive prices, the Company is hopeful to generate a good amount of business in coming year in this sector.

During the year, the Company became an approved supplier of Condenser Tubes in stainless steel as well as in titanium to one of the major international Atomic Energy corporation. This approval may result into opportunities for SS tubes and pipes for global projects.

Fertilizer Plants

The country has witnessed increased production and consumption of fertilizers over the years owing to increasing demand for agricultural products. During the year, there were no substantial investments in the country's Fertilizer sector. With the high quality Urea Grade tubes, the division will strive to get exposure from the requirements globally.

Atomic Energy & Aerospace

Total investment by the central Public Sector Undertakings (PSUs) under the aegis of the Department of Atomic Energy is likely to stand at ₹ 14,851 crore in 2020-21. Better investments in the Atomic Energy sector in India will benefit the Company in the form of rising demand for Seamless Stainless Steel and Welded Pipes. Moreover, the Government has announced an increase in the foreign direct investment (FDI) limit in the defence sector from current 49% to 74% which will benefit the Company owing to its versatile steel pipes and tubes.

Department of Atomic Energy, Space Research Organisation and Aerospace sector present huge potential, wherein the Company can explore business opportunities. Looking ahead, the Company is successfully able to get the necessary approval for the Aerospace industries, which will help us in supplying critical tubing for this sector.

Carbon Steel Division

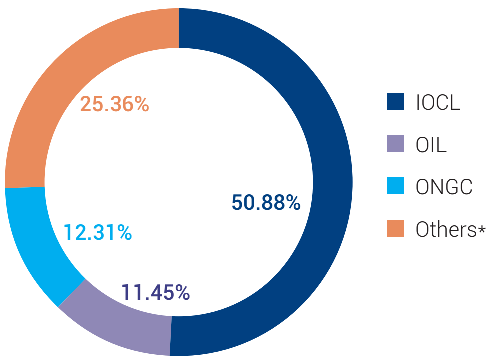
Ratnamani's Carbon Steel (CS) division manufactures Electric Resistance Welded (ERW) pipes and Submerged Arc Welded (SAW) pipes (L-SAW, H-SAW & Circ. Seam-SAW). Domestic market sales and exports in 2019-20 remained steady for the Carbon Steel division. Major order book stood at ₹ 1,560 Crore for the ERW Pipes and H-SAW Pipes with ₹ 348 Crore contribution from exports. Despite challenges in the months of May to July 2019 and March 2020, all pipe mills and coating plants ran on full capacity.

The division performed well on national and international platforms with rising demand from refinery projects, Oil exploration & port development projects among others. Coated Pipes for Oil & Gas and Water sector witnessed tremendous growth with orders for overseas requirement. Further, both ERW and H-SAW Pipes gained traction with bidding and execution for various projects.

Oil & Gas Transmission Lines

The Oil & Gas Pipeline Infrastructure is the cornerstone of the country's economic development. Current crude oil pipeline in the country stands at 10,419 km having a capacity of 147.9 million metric tonnes per annum (mmtpa). IOCL accounts for 50.88% (5,301 km) of India's crude pipeline network in terms of length. In terms of actual capacities, ONGC is the leader with a share of 40.97%, followed by IOCL at 32.86%.

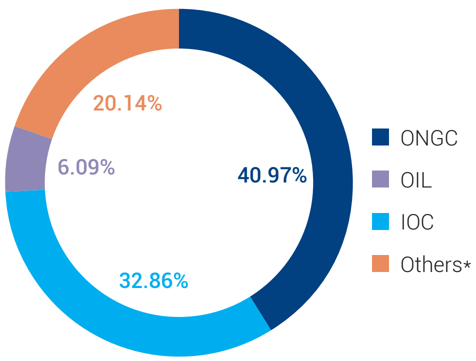
Shares in Crude Pipeline Network by Length (out of 10,419 kms, as on May 01, 2020)



*Note: km – kilometre, *Others include HMEL, BPCL and Cairn*

(Source: Ministry of Petroleum and Natural Gas, IBEF)

Shares in Crude Pipeline Network by Capacity (out of 147.9 mmtpa, as on May 01, 2020)



*Note: mmtpa – Million Metric Tonnes Per Annum, *Others include HMEL, BPCL and Cairn*

(Source: Ministry of Petroleum and Natural Gas, IBEF)

MANAGEMENT DISCUSSION AND ANALYSIS

The Oil & Gas product pipeline network stands at 17,430 km as on 1st March, 2020. The top three Companies such as IOCL, HPCL and BPCL contribute 82.84% of the total length of product pipeline network in the country. Indian Oil Corporation (IOC) leads the segment with 8,748 km of refined products pipeline in i.e. 51.25% of the total length of product pipeline network.

During 2019-20, the sector's total installed provisional refinery capacity was 249.9 MMT. The top three companies, IOC, RIL and BPCL, contribute almost 70% of India's total refining capacity. As per Union Budget 2019-20, under scheme 'Kayakave Kailasa', the Ministry of Petroleum & Natural Gas enabled SC/ST entrepreneurs in providing bulk LPG Transportation.

Indian Oil Corporation plans to make an investment of USD 22.91 billion, including USD 7.64 billion for expanding its existing brown field refineries, in the next 5 to 7 years. Moreover, the Company plans to lay the nation's longest LPG pipeline of 1,987 km from Gujarat's coast to Gorakhpur in Uttar Pradesh to cater to growing demand for cooking gas in the country. Reliance Industries Ltd is planning to expand its Jamnagar oil refining capacity by about 50% from current 35.2 million tonne per annum (MTPA) to 41 MTPA. The Cabinet Committee on Economic Affairs approved the capacity expansion of Numaligarh Refinery from 3 MMTPA to 9 MMTPA in January 2019, to be completed within two years. With enduring product portfolio, Ratnamani is well-prepared to grab the upcoming opportunities in the sector.

In recent years, the demand for natural gas has increased significantly due to its higher availability, environment friendly characteristics as a fuel and the reasonable prices for the end consumers. India is the biggest emitter of greenhouse gases after the US and China. It aims to achieve the emission reduction targets pledged by promoting the use of natural gas and green fuel. For this, the Government is offering a special impetus towards building a solid gas infrastructure across the nation.

Government is planning to invest ₹ 70,000 Crore (USD 9.97 billion) to expand the gas pipeline network across the country. As of 1st May, 2020, the Gas Authority of India Ltd. (GAIL) is leading with12,160 km of the country's total natural gas pipeline network of 16,905 km. The Government has fixed an ambitious target of increasing the share of natural gas in the country's energy basket from 6% in 2019 to 15% by 2030. In order to attain this, it envisaged National Gas Grid project which involves connecting locations/hubs with pipelines to carry natural gas till the retail outlets. Recently, Government laid down plans for the expansion of National Gas Grid to 27,000 km from the present 16,905 km.

Major Natural Gas Pipeline Network as on 1st May, 2020

Nature of pipeline		GAIL	Reliance	GSPL	ARN^	DNPL	IOCL	Total
Natural Gas	Length (Km)	12,160	1,480	2,695	215	192	163	16,905
	Capacity (MMSCMD)	246	67	43	6	1	22	385

^Excludes CGD pipeline network
Note: MMSCMD - Million Metric Standard Cubic Meter per Day
(Source: Ministry of Petroleum and Natural Gas)

In addition, the Government is focused to develop gas infrastructure in the north-eastern region by providing ₹ 5,559 Crore for the construction of the North East Gas Grid project. Availability of natural gas would boost fertilizer production, transportation, power generation and industrial activity. Addition of these pipelines will generate good business for the Carbon Steel Division. Ratnamani expects positive demand traction for H-SAW pipes due to expansion of cross country pipelines.

Internationally, Ratnamani is targeting to supply CS L-SAW pipes for ADNOC Refinery Expansion Project in UAE, Thai Oil Refinery in Thailand, North Field Expansion project Qatar, Mozambique LNG, HAIL & GUSHA Project Abu Dhabi and Ethylene Cracker Project of Amur in Russia.

Projects like HPCL Refinery in Barmer, Rajasthan (HRRL Project) and Ratnagiri grass root refinery in Maharashtra are expected to create huge requirement of pipes, and the Company is in a strong position to generate business out of these projects. Apart from these, oil exploration project of ONGC under Cluster 7 & 8 Series, will continue to create business for piling pipes and pipes for jacket & platform packages.

City Gas Distribution (CGD) lines

City gas distribution market in India involves Compressed Natural Gas (CNG), predominantly used as auto fuel, and Piped Natural Gas (PNG) which is used in domestic, commercial and industrial segments. Backed by booming PNG and CNG segments, the country's CGD network is anticipated to witness robust expansion in the future.

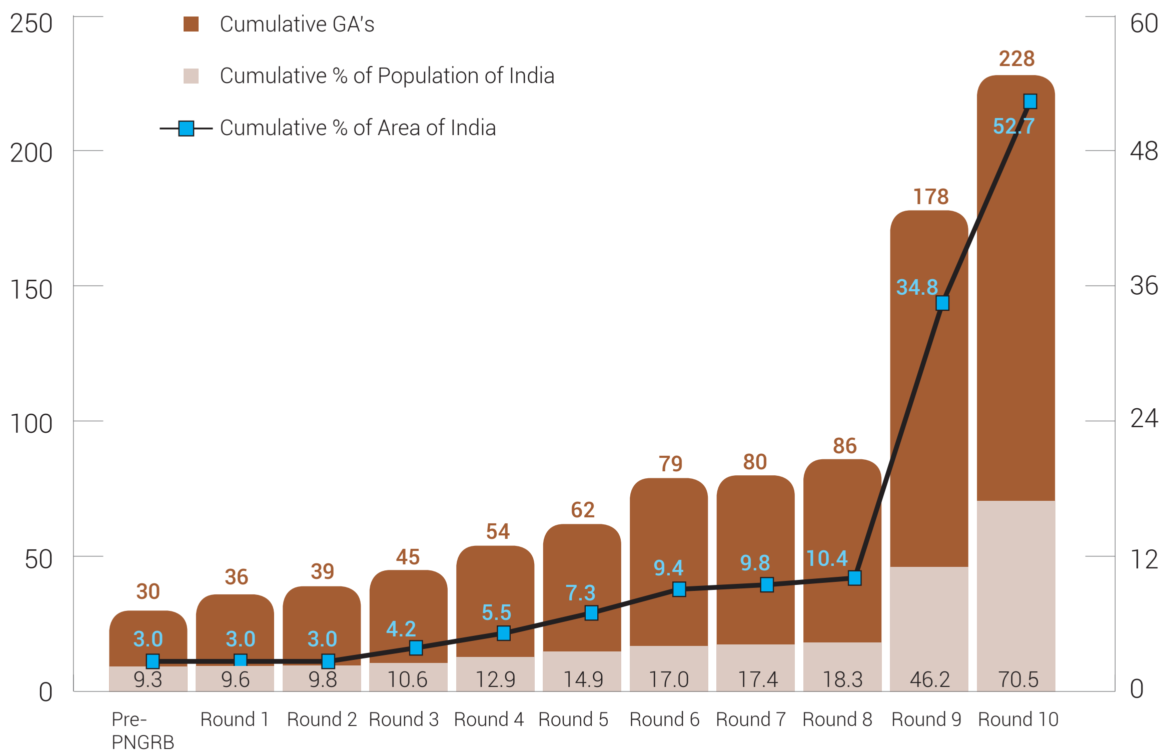
With favourable initiatives taken by the Government in the CGD sector, a rising number of Companies are being authorised and granted licenses in the 9th and 10th round to operate in different geographical areas (GA) across the country. For instance, Indian Oil Corporation and Adani Gas Ltd. have won the most number of licenses for distribution of gas in 17 and 15 geographical areas under the 9th and 10th rounds of city gas distribution, respectively. As of January, 2020, 55 lakh domestic households were connected with the piped gas in the country. More participation from public & private sectors in the CGD market, will aid in expanding CGD network to 228 GAs covering overall 70.86% of the cumulative population and 52.80% of the area of the country.

CGD market in India is forecast to grow from an estimated 9,223 MMSCM (Million Metric Standard Cubic Meter) in 2020 to 25,570 MMSCM by 2030 at a CAGR of 10%. Growing adoption in domestic, commercial and industrial sectors, stringent government regulations towards pollution emitting vehicles and rising fuel prices are expected to positively influence the CGD market in India during the forecast period. However, recent lockdown, to contain COVID-19, has disrupted the pipe laying activities of CGD companies. With the extension of the lockdown, the 11th round of CGD bidding, covering 44 GAs, is expected to get delayed.

The Company anticipates positive demand traction to be witnessed for ERW Pipes segment for the next three to five years and also expects ~90-95% utilisation for all the ERW installed capacities.

MANAGEMENT DISCUSSION AND ANALYSIS

CGD Round-wise Details



(Source: Ministry of Petroleum & Natural Gas)

Water Infrastructure

India is the 2nd largest water consumer in the world. Currently, the country is home to 17% of the world's population but has only 4% of the world's renewable water resources. The Composite Water Management Index (CWMI) report states that by 2030, the country's water demand is projected to be twice the available supply, implying severe water scarcity for hundreds of millions of people. The demand and supply gap of water availability is expected to widen due to expected rise in population, rapid industrialisation and urbanisation. However, water availability and utilisation can be optimised by linking water of surplus areas with lower water availability areas via canals, pipelines etc. Robust planning and fast track implementation of Government initiated water segment projects is expected to create proper infrastructure for water utilisation.

The Government launched 'Jal Shakti Abhiyaan' in 2019 to enhance rainwater harvesting and water conservation in 225 water-stressed districts. 'Nal Se Jal' is another Government measure that focuses on providing piped water supply to every household by 2024. 'River linking' is one of the large scale civil engineering projects that aims to link rivers through a network of reservoirs and canals across India. The project will ensure greater equity in the distribution of water by enhancing its availability in drought prone and rain fed areas. In addition, 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) mission and 'Namami Gange' mission are going to increase demand for H-Saw and DI pipes to a great extent.

During the year, growth was muted in water sector projects on account of payment issues. However, driven by various initiatives in the water sector, acceptability of Carbon Steel Pipes for transportation, the Company foresees huge opportunities in the coming year. Moreover, demand is expected to rise in Africa, Middle East Countries such as Saudi Arabia, Oman which have huge potential for water projects.

The 'Make in India' Impact

Government tenders now have the clause to use local content for all their upcoming projects. This has helped the industry to reduce the competition from foreign suppliers. The Government has also developed GEM Portal which presents a good platform for all 'Make in India' products beneficial for all. The move is also aligned with Hon'ble Prime Minister's vision of 'Vocal for Local'.

Response to COVID-19

The health and safety of employees is always the highest priority of the organisation. Beyond business growth, we also believe that it is our duty to act responsibly and to do our part to protect the society. Ratnamani has been continuously monitoring all aspects of the COVID-19 situation, evaluating all new developments and taking measures to protect its employees. We are following the proven mantra of "Trace, Test and Treat" to control the spread in the Company. The Company have also contributed to the society through various CSR initiatives during these difficult times.

Implemented Measures

Hygiene: The Company has taken various steps to spread awareness among employees for the need of social distancing along with various precautions and hygiene measures.

Travel: The employees have been advised to refrain from trips that aren't absolutely necessary. Personal meetings have been replaced by conference calls or similar options. Employees are also suggested to restrict their movements within the plants/offices of the Company

Office Operations: Operations of the Head office and Regional offices commenced as per guidelines from the Government of India. From starting the operations with 33% staff capacity to operating with full staff capacity, the Company took all the precautionary measures to prevent employees from the risk of infection.

Plant Operations: Ratnamani has established processes for ensuring the continuity of manufacturing operations to the greatest possible extent. To ensure that the employees are protected, the Company has implemented the recommendations made by the Government of India.

Precautions and Steps Taken for Employees: Permission from the Government has been received for the resumption of the production with proper safety measures.

- Sanitization Tunnels and Hands free Sanitizer Dispenser built in-house for the employees
- Daily health screening of all employees
- Serving immunity boosters to employees
- Inviting doctors as well as conducting in-house programs to create awareness amongst the employees well in advance
- Ensuring that the Shop-floors, Offices, Colonies, Staff buses, and other vehicles are properly sanitized and also sanitizers are kept at approachable places in the premises
- Ensuring that all the employees are using face masks, PPEs and maintaining social distancing while working
- No gathering of employees
- Employees are encouraged to use virtual/remote modes to conduct meetings
- Restriction of inter locational movements for employees to minimise the risk
- Increased vigilance at plants to ensure that hygiene, catering, waste management and preventive measures including social distancing is being rigorously maintained
- All plants have a good 'Lock-in' facility for our employees that is equipped with kitchen and dining facility, uninterrupted electricity, water supply, 24X7 medical assistance, ambulance and round the clock security
- We have tie ups with various testing laboratories for prompt need-based response for the COVID tests

Risk and Challenges

The objective of our risk management activities is to recognise, assess and manage risks early on and to implement appropriate measures to minimise them. Risk management at Ratnamani is a continuous process of analysing and managing all the opportunities and threats faced by the Company in its efforts to attain its goals and to ensure continuity of the business.

There are many constraints affecting the smooth functioning of the industry in which the Company operates. The table below provides a brief overview of the most significant risks and the Company's approach to managing them.

MANAGEMENT DISCUSSION AND ANALYSIS

Risk	Explanation	Mitigation approach
Competitor risk	Competition by bidding at lower cost in domestic as well as international markets could affect market presence.	o Focus on cost effective manufacturing of innovative SS pipes & tubes and welded CS pipes ensuring value addition for customers o Manufactures the best quality product with latest technology and rich expertise o Efficient and cost-effective operations
Foreign exchange risk	The risk of Foreign exchange fluctuation can impact the Company as it is engaged in procuring various equipment from the overseas as well as the Company exports its products to foreign countries.	o Hedges the net foreign exchange using well-defined strategies (e.g. forward contracts, futures contracts, options, and swaps) which reduces the exchange rate risk
Economic downturn	A major economic downturn resulting in lower demand/delay for various projects. For instance, the COVID-19 crisis has impacted economic activities significantly by disrupting operations.	o Well-diversified and balanced product with large customer base and presence o Resilient business model and proactive strategies in the face of changing economic scenario o Usage of IT and data intelligence to anticipate market developments
Liquidity risk	The liquidity risk may hinder smooth operation of the Company due to blockage of funds resulting in delayed receivables.	o Prudent strategies to maintain adequate cash flow, working capital cycle and financial stability
Input cost fluctuations	Significant changes in raw material costs (steel) can impact the profitability.	o Hedges the risk by covering the raw material on back to back basis immediately after receipt of an order
Labour disputes	Industrial disputes lead to industrial action with impacts the Company's ability to meet client demands.	o Maintains an open and positive relationship with all the employees, sub-contractors, workers, etc.; as exemplified by not a single instance of any such dispute so far

Corporate Governance

The Company's Corporate Governance philosophy is based on conscience, openness, fairness, professionalism and accountability. These qualities are ingrained in its value system and are reflected in its policies, procedures and systems. The Company is being governed in accordance with the policies, code of conducts, charters and various committees are formed in accordance with the law to ensure governance. The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Material Subsidiaries, CSR Policy and Whistle Blower Policy. These policies are available on the website of the Company at www.ratnamani.com. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

A separate report on Corporate Governance is provided together with a Certificate from the practising Company Secretary of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

Human Resource

People power is one of the pillars of success at Ratnamani. The Company takes pride in acknowledging the performance of its human resource which has always responded with deep commitment to achieve business growth and market leadership. The top management acts as the governing force in ensuring a progressive work culture. The Company believes in reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture, building a strong talent pipeline, building capabilities in the organisation.

The HR development framework ensure employees' career progression and greater connect with the Company. This framework rides on multiple programs and opportunities for individual training, skill up-gradation, congenial atmosphere for employee-management relationship and equal opportunities. The Company continued to build on the Diversity and Inclusion agenda through building leadership capability and respectful work environment for the teams. The leadership development frameworks are focused on the core capabilities, which are essential for strong and effective leadership. These capabilities are defined for each level in the organisation and apply to all our employees. During the year under review, total 2,279 employees were on the pay rolls of the Company.

Internal Control System

The Company has put in place robust internal control systems and the best-in-class three-tiered governance structure, commensurate with its size and scale of operations. The Code of Conduct commits management to financial and accounting policies, systems and processes. The Corporate Governance Policy and the Code of Conduct stand widely communicated across the Company at all times, and, together with the 'Strategy of Organisation', Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to the Company's Financial Statements. Such Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. The Accounting Policies are reviewed and updated from time to time. These, in turn are supported by a set of divisional policies and SOPs that have been established for individual businesses.

"The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed."

The Company uses ERP System as a business enabler and also to maintain its Books of Account. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by divisional management and audited by Internal Audit whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation. The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed.

The Company has also put in place comprehensive systems and procedural guidelines concerning other areas of business, too, like budgeting, execution, material management, quality, safety, procurement, asset management, human resources etc., which are adequate and necessary considering the size and level of operations of the Company. The Management has been making constant efforts to review and upgrade existing systems and processes to gear up and meet the changing needs of the business.

Outlook

Looking into the current scenario, the Company foresees a tough time for all the sectors with delayed project execution. However,with various initiatives in the end-user segments, supportive Government policies, strong industry position and capacities, the Company anticipates continuous order inflow and sustainable growth in the future.

BUSINESS RESPONSIBILITY REPORT

Your Directors are pleased to present the Business Responsibility Report of the Company for the Financial Year ended on 31st March, 2020.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1	Corporate Identity Number (CIN) of the Company			L70109GJ1983PLC006460
2	Name of the Company			Ratnamani Metals and Tubes Limited
3	Address of the Registered Office of the Company			17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad - 380 013, Gujarat
4	Website			www.ratnamani.com
5	Email id			info@ratnamani.com
6	Financial year reported			1st April, 2019 to 31st March, 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise):			
	Group	Class	Sub Class	Description
	241	2410	24106	Manufacture of tube and tube fittings of basic iron and steel
8	List three key products/services that the Company manufactures.			The Key products that the Company manufacture are as follows: - Stainless Steel Seamless & Stainless Steel Welded Tubes / Pipes - Nickel Alloy Seamless Tubes - Carbon Steel Welded Pipes - Alloy Steel Welded Pipes - Titanium Welded Tubes - External & Internal Pipes Coatings - Induction Bend
9	Total number of locations where business activity is undertaken by the Company :			
	(a) Number of International Locations (Provide details of major 5)			The Company has its presence throughout the globe including its subsidiary Company namely "Ratnamani INC" located at Sugarland, Taxes (U.S.A.) and also through its agency offices. The major countries are USA, Europe, Africa, Japan, Saudi Arabia.
	(b) Number of National Locations			The Company has currently its State of the Art manufacturing facilities located in Indrad, Chhatral and Kutch. The Registered and Corporate Office of the Company are situated in Ahmedabad, Gujarat and the Branch Offices are situated in Mumbai and Delhi.
10	Markets served by the Company – Local/State/ National/International			The Company served Local, State, National and International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

1	Paid up Capital (INR)	₹ 934.56 Lakhs
2	Total Turnover (INR)	₹ 2,58,313.95 Lakhs
3	Total profit after taxes (INR)	₹ 30,749.68 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 488.34 Lakhs towards Corporate Social Responsibility (CSR) which constitutes 1.59% of Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-	a. Education of children in the Rural Area. b. Promotion of preventive Healthcare In the Rural Area. c. Rural Transformation. d. Enhancing Vocational Skills amongst women and children. e. Ensuring Environmental sustainability. f. Conservation of Ecology.

SECTION C: OTHER DETAILS:

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

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

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

   At present, the Subsidiary Company does not participate in the BR initiatives of the Company.

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

   We do not mandate our suppliers / traders to participate in the Company's Business Responsibility initiatives.

SECTION D: B R INFORMATION:

1. Details of Director/Directors responsible for BR

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

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

b) Details of the BR Head :

Sr. No.	Particulars	Details
1	DIN (If applicable)	00006178
2	Name	Jayanti M. Sanghvi
3	Designation	Joint Managing Director
4	Telephone No.	079-29601200/01/02
5	Email I.D.	jayanti.sanghvi@ratnamani.com

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

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

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

Business Responsibility Report (Contd...)

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	N Note-1	Y	Y	Y Note-2	Y	Refer Note-3	Y	Refer Note-4
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-		Y	
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	Y	-	-	Y	-	-		Y	
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	-	Y	Y	-		Y	
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	-	Y	N	-		Y	
6	Indicate the link for the policy to be viewed online?	**	-	-	***	**	-		***	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	-		Y	
8	Does the company have in-house structure to implement the policy/ policies?	Y	-	Y	Y	-	-		Y	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	-	-		Y	
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y Note-2	-	Y	Y	-	-		Y	

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

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

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

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

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

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

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

Business Responsibility Report (Contd...)

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles					✓				
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Governance related to BR

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The Company is committed to do business with ethical business practices. It acts with integrity in all aspects of its business. The Company has a Code of Business conduct and a Vigil Mechanism Policy that are approved by the Board of Directors. These are applicable to all the Board Members and Senior Management. This highlights Ratnamani's commitment to ethical and transparent corporate governance practices.

The philosophy of Ratnamani in relation to Corporate Governance is to ensure tranaparent disclosures and reporting that conforms fully to laws, regulations and guidelines with the primary objective of enhancing shareholders' value while being a responsible corporate citizen.

The code is available on the Company's website at its web address: http://www.ratnamani.com/investors_relations.html /codes & policies / code of conduct & www.ratnamani.com/investors_relations.html/codes & policies / policy / vigil mechanism policy.

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

Business Responsibility Report (Contd...)

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

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

Particulars	Pending as on 31/03/2019	Received during 2019-20	Redressed during 2019-20	Pending as on 31/03/2020
Customer complaints	00	00	00	00
Investor complaints	00	02	02	00

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

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

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

   - All the units of the company are certified covering ISO 9001 (Quality management system), OHSAS 18001 (Occupational Health and safety Assessment series), ISO 14001 (Environment Management System).
   - Solar roof panel facility has been installed at Indrad office.
   - CFL lights have been replaced to LED for power saving in the premises.
   - State of the art technologies in its pipe manufacturing and coating plants, includes installation of advanced machinery with green fuel type heat treatment furnace.
   - We have installed 18 units of Wind Turbine situated in the state of Gujarat generating 27 MW Energy.

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

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

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

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

   No.

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

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

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

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

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

   - Re-use of treated effluent water in processes.
   - Re-use of treated sewage water in gardening.
   - Recharge ground water through rainwater recharge well.
   - Hazardous wastes e.g. used oil; e-wastes, batteries etc. are disposed to authorized recyclers.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees. – 2279
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis. – 1520
3. Please indicate the Number of permanent women employees. – 11
4. Please indicate the Number of permanent employees with disabilities – 18
5. Do you have an employee association that is recognized by management – NA
6. What percentage of your permanent employees is members of this recognized employee association? – NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

Category	Percentage
a) Permanent Employees	80.00 %
b) Permanent Women Employees	70.00 %
c) Casual / Temporary / Contractual Employees	100.00 %
d) Employees with Disabilities	90.00 %

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

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, the company has mapped its internal and external stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders, namely the communities around its manufacturing sites and its workers, supervisory staff.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

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

Business Responsibility Report (Contd...)

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   There is no formal policy on Human Rights but the management style / work environment believes and practices the Human Rights within the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   There have been no complaints regarding breach of human rights aspects in the reporting period.

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

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

   The policy related to Principle 6 covers only the Company.

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

   No.

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

   Yes, we identify environmental aspects and determine significant environmental impact and risk of each activity.

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

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

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

   Yes, Hazardous wastes e.g. used oil; e-wastes, batteries, etc. are disposed to authorized recyclers.

   - We have installed Roof Top Solar system & wind Power for renewable energy.
   - Re-use of treated effluent water in grading and other processes.
   - Use of vegetation and food waste in making compost which in turn is used in fertilization and making of manure for the garden.
   - Hazardous wastes e.g. used oil; e-wastes, batteries, etc. are disposed of only to authorized recyclers.
   - Treated solid waste is also disposed of only to authorized land filling site
   - The Company has strong focus on clean technology, energy efficiency and renewable energy. Our renewable energy portfolio includes 27 MW based energy generation at various places in Gujarat.

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

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

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

   No show cause/legal notices received from CPCB/SPCB as on the end of financial year.

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

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

   The Company is associated / member of the following associations:

   a) Bombay Chamber of Commerce and Industry

   b) Gujarat Chamber of Commerce and Industry

   c) Ahmedabad Management Association

   d) Process Plant and Machinery Association of India

   e) Federation of Industries of India

   f) Federation of Kutch Industries Associations

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

   Yes, in compliance with the Corporate Social Responsibility ("CSR") Policy, company is working towards particular initiatives/ programmes/projects in pursuit of inclusive development of Society, having specific focus on:

   - **Education of children in rural areas :**

     People have understood the importance of Education and its Access is a major concern in rural areas thus Ratnamani Education Campus started its journey for the people of Bechraji and surrounded areas in the state of Gujarat with intention to enable them with education, which is affordable and Ratnamani is continuously working towards educating the students to make them grow holistically and meet with the requirements of the current industrial demands.

     More than 1200 students have been imparted education every year in different disciplines. Apart from the quality of education the campus is well equipped with modern infrastructure, library, and science facility including its laboratories, Canteen facilities, Hostel facility, Sports facilities and playground which are surrounded by lush green garden.

   - **Health and Sanitation:**

     Understanding the importance of Central Government's campaign of making India "Clean India and Green India", it pursuits for the cleanliness and eradicating open defecation. We have already constructed household sanitary complexes in the different villages namely Bhimasar, Satapar, Tapar, Indrad, Nenava Village and Dhanot Village till date.

   - **Rural Transformation:**

     Our Company has been instrumental in transforming the village of Nenava located in Banaskatha district by building adequate roads and other basic infrastructural facilities. Company is helping various villages for deepening the ponds for conservation of rain water. Company works towards Promotion of Education by providing education material to the students, providing mid – day meal to students and conducting Welfare activities for abandoned kids. Our Company also facilitates the government schools in every possible way and have been striving to bring up the literacy ratio in the village.

   - **Enhancing vocational skills amongst women and children:**

     Our Company has been continuously working towards empowering girls and women of the Nenava village by enhancing their vocational skills and making them employment ready. 397 females have been trained and benefitted under these Sewing and Embroidery, Mehdi, Art & Crafts, Gruh Udhyog etc Classes.

Business Responsibility Report (Contd...)

- **Ensuring Environmental sustainability / Conservation of Ecology :**

  Our Company also works in the area of Environment Sustainability and hence, till date has planted numbers of trees at various vicinities of our facilities and also maintains it. To save the bird "Sparrow" from getting extinct and create awareness and overall positive impact on the society on a large scale, our Company has started and successfully running its own exclusive campaign called "Save the Sparrow" and distributed the nests in the region of Gujarat.

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

   CSR projects are being implemented either directly by the Company or through various implementing partners who respect and agree to our organisation's core CSR values. These efforts are being undertaken preferably in the local area and areas around our work centres sites. The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as a sub-committee to the Board for implementation of CSR Activities.

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

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

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

   The Company has spent ₹ 488.34 Lakhs on CSR activities during the F.Y. 2019-20. Details of the same are mentioned in Annexure-"D" of the Directors' Report.

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

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

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

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

   During the year under review, total nil customers complaints were received out of which nil Customers complaints are pending.

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

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

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

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

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

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

Directors' Report

Dear Members,

Your Directors are pleased to present the 36th Annual Report of your company along with the Audited Financial Statements of the Company for the year ended 31st March 2020.

1. FINANCIAL RESULTS AT A GLANCE

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	2,583.14	2,754.90	2,583.14	2,754.90
Other Income	61.84	41.23	61.84	41.23
Total Income	2,644.98	2,796.13	2,644.98	2,796.13
Profit before Tax	406.30	370.56	406.37	370.54
Less: Income tax expenses	98.80	117.63	98.82	117.63
Profit After Tax	307.50	252.93	307.55	252.91

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

During the year under review, the Company has achieved turnover of ₹ 2,583.14 Crores compared to the previous of ₹ 2,754.90 Crores. The total income on Standalone and Consolidated basis for the F.Y. 2019-20 at ₹ 2,644.98 Crores has been lower by 5.40% compared to the total income of the previous year, while the profit after tax on standalone basis for the year was higer by 21.57% at ₹ 307.50 Crores compared to the previous year and profit after tax on consolidated basis for the year is ₹ 307.55 Crores, which is also higher by 21.60% compared to the previous year.

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

3. IMPACT OF COVID-19 PANDEMIC:

Due to outbreak of COVID-19 Pandemic globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks. The saving of lives and protecting livelihood both are of utmost importance to us. Ratnamani is continuously monitoring all aspects of the Covid-19 situation, evaluating all new developments and taking measures to protect our employees. The health and safety of our employees are always our highest priority in the organisation.

We have taken several steps aimed at ensuring the safety of our employees, which include work from home, social distancing in the office premises, sanitization of our office premises; plant locations and company vehicles, thermal screening for employees in the office premises, working at plants, providing sanitizers, masks, gloves etc. to the employees.

Meanwhile, we are also finding new ways of managing the business and have been working of changes in the business operating model, including the possibilities of using digital technology. Our focus on research and innovations remains intact and we promise to live by our slogan of "Prosperity through performance".

The Company has also donated ₹ 1.00 Crore to Chief Minister's Relief Fund to fight the COVID-19 Pandemic and its fallout on poor sections of the society.

4. DIVIDEND

The Directors are pleased to inform you that the Board of Directors on 5th March, 2020 declared an interim dividend of ₹ 12.00 per Equity Share having face value of ₹ 2.00 each (i.e. 600% on the paid-up share capital) for the financial year ended on 31st March, 2020. The total dividend pay out was ₹ 67.60 Crores for the F.Y. 2019-20 comprising dividend amount of ₹ 56.07 Crores and Dividend Distribution Tax amount of ₹ 11.53 Crores. The Board has not recommended any further dividend to the shareholders of the Company. Hence, Interim Dividend declared by the Board shall be treated as Final Dividend.

The Dividend Distribution Policy of the Company is available at the web link https://www.ratnamani.com/investorsrelations.html.

5. TRANSFER TO RESERVES

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

Directors' Report (Contd...)

6. SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2020 was ₹ 934.56 Lakhs divided into 4,67,28,000 Equity Shares of ₹ 2.00 each.

There was no change in the share capital of the Company during the year.

7. FINANCE

The Company has long-term borrowings outstanding amounting to ₹ 17,562.51 Lakhs as on 31st March, 2020.

8. FIXED DEPOSITS

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

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

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

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Shanti M. Sanghvi, Whole Time Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

In terms of regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Based on the declarations received from the IDs, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

All the Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ("IICA"). Further, Smt. Nidhi G. Gadhecha, Independent Director had passed online proficiency test as per the requirement of the Rule 6(4) of the MCA Notification dated October 22, 2019.

a) Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The way, the evaluation has been carried out has been explained in the Corporate Governance Report.

b) Remuneration Policy

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

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

B) Key Managerial Personnel

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

1. Shri Prakash M. Sanghvi, Managing Director
2. Shri Jayanti M. Sanghvi, Joint Managing Director

3. Shri Shanti M. Sanghvi, Whole Time Director
4. Shri Vimal Katta, Chief Financial Officer
5. Shri Jigar Shah, Company Secretary & Compliance officer

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profits of the Company for the financial year ended on 31st March, 2020.

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. the Directors had prepared the Annual Accounts on a 'going concern' basis.

e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. BOARD MEETINGS

The Board of Directors met 6 (Six) times during the F.Y. 2019-20 and having gap of not more than 120 days between 2 Board Meetings. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of this Report.

13. AUDIT COMMITTEE

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

14. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. S R B C & Co., LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E/E300003) hold office as the Joint Statutory Auditors of the Company till the conclusion of the 37th Annual General Meeting to be held in the calendar year 2021 and M/s. Kantilal Patel & Co., Chartered Accountants, (ICAI Firm Registration No. 104744W) as the Joint Statutory Auditors of the Company till the conclusion of the 39th Annual General Meeting to be held in the calendar year 2023.

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

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

15. COST AUDITORS

Your company has received consent from M/s. N. D. Birla & Co., Cost Accountants, to act as the Cost Auditors for conducting audit of the cost records for the financial year 2020-21 along with a certificate confirming their independence and arm's length relationship.

Your Directors have on the recommendation of the Audit Committee, appointed M/s. N. D. Birla & Co., Cost Accountants, as the Cost Auditors of the Company to audit the Cost Accounts for the financial year 2020-21 at a remuneration of ₹ 1,20,000/- plus taxes as applicable and out of pocket expenses, subject to ratification of the said remuneration by the Members in ensuing 36th Annual General Meeting. Accordingly, a resolution

Directors' Report (Contd...)

seeking Members' ratification for the remuneration payable to M/s. N. D. Birla & Co., Cost Accountants, is included at Item No. 4 of the Notice convening the 36th Annual General Meeting. The Cost Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark.

16. SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. M. C. Gupta & Co., Company Secretaries in practice as the Secretarial Auditor of the Company to conduct an audit of the secretarial records, for the financial year 2020-21. Your company has received consent from M/s. M. C. Gupta & Co., Company Secretaries in practice to act as the Secretarial Auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2021.

17. SECRETARIAL STANDARDS:

The Company is in compliance with Secretarial Standards on Meetings of Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

18. CREDIT RATING

The Company enjoys a good reputation for its sound financial management and its ability to meet financial obligations. CRISIL has reaffirmed "AA/stable" rating for the Company's long-term borrowings and "A1+" for its short-term borrowings.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

Conservation of energy and technology absorption

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

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

21. RISK MANAGEMENT

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

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

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

22. SUBSIDIARY, IT'S PERFORMANCE AND CONSOLIDATED FINANCIAL STATEMENT

The Company has one Wholly Owned Subsidiary in the State of Texas, USA in the name "Ratnamani Inc." During the year under review, the performance of the subsidiary was not so good, it was declined due to lower crude prices and lower demand from Oil & Gas sector. As a consequence, the subsidiary recorded a profit of US $ 6816.31 (equivalent to ₹ 4.72 Lakhs) for the year ended on 31st March, 2020 (previous year a loss of US $ 1,890.62 (equivalent to ₹ 1.31 Lakhs). A report on the performance and financial position of the subsidiary is given in Annexure-"B". Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which have been prepared in accordance with the applicable provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") for financial year ended 31st March, 2020 and approved by the Board. These Consolidated Financial Statements have been prepared on the basis of the Audited Financial Statements of the Company and its Subsidiary Company, as approved by their respective Board of Directors.

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

23. CORPORATE GOVERNANCE REPORT

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

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

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

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

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

25. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

During the year, the Company has spent ₹ 488.34 Lakhs on CSR activities. The detail of CSR activities and expenses are given in Annexure-"D".

25. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT-9 of the Company for the Financial Year ended on 31st March, 2020 is annexed herewith as Annexure- "E" to this Report.

26. PARTICULARS OF EMPLOYEES

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

27. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed with the Directors' Report and forms part of the Annual Report as given in Annexure-"G". Further, the Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Directors' Report (Contd...)

28. BUSINESS RESPONSIBILITY REPORT

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

29. DISCLOSURES:

A. Vigil Mechanism

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

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

B. Related Party Transactions

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

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

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

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

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

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

During the financial year 2019-20, there was no complaint/case of sexual harassment and hence no complaint remains pending as on 31st March, 2020.

D. General

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

a) There has been no material change in the nature of business during the year under review.

b) Issue of equity shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

c) There were no events to report that has happened subsequent to the date of financial statements and the date of this report.

d) Neither the Managing Director, Joint Managing Director nor the Whole Time Director of the Company receive any remuneration or commission from the Subsidiary Company.

e) No significant or material orders were passed by the Regulators or Courts or Tribunals, which affect the going concern status and Company's operations in future.

APPRECIATION

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

The Directors regret for the loss of life due to COVID-19 Pandemic and are deeply greatful and have immense respect for every person who risked their life and safety to fight this Pandemic. The Directors look forward to the continued support of all stakeholders in future also.

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI
Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 16th June, 2020

Directors' Report (Contd...)

ANNEXURE: A

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

(A) CONSERVATION OF ENERGY:

The Company is constantly striving to have high degree of optimization, conservation of energy and absorption of technology. Major initiatives taken by the Company during the financial year 2019-20 are listed below:

I. The steps taken or impact on conservation of Energy:

i. Conventional lights have been replaced by energy efficient LED Lights.

ii. Installed Pneumatic Cylinder in place of Electric Motor drive mechanism in straightening machine.

iii. Replaced old motors with high energy efficient servo motors.

iv. A C Motor inverter drives control installed in coating plant.

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

Solar lighting system has been installed in the plant replacing the conventional ones.

III. The Capital Investment on Energy Conservation Equipments:

The Company has made Capital Investment of ₹ 123.46 Lakhs on Energy Conservation Equipment.

(B) TECHNOLOGY ABSORPTION:

I. The efforts made towards technology absorption:

1. Automation of Bed roller upgraded with Programming logic Controller for product improvement.
2. Installation of new Edge Bevelling Machine to enhance capability of production.
3. Replacement of old welds technology equipment's by digitally controlled weld technology.
4. Replacement of old technology air compressors by latest electronically controlled energy efficient air compressors.
5. In U bend process nitrogen purging inside tube was modified with the automation.
6. New Shed straightening machines are modified and automation done to enhanced production.

The above efforts have resulted in quantity improvement, enhanced yields, higher through put and reduction in manpower.

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

i. Weld quality of pipe has improved so it reduces non-confirming products. Hence productivity improved.

ii. With modification of Tube Mills, enhancing the capability for Titanium Tube Production.

iii. In house facility up gradation for cooling of water using chillar unit for corrosion testing in NABL laboratory.

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

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

IV. The expenditure incurred on Research and Development.

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

(C) Foreign exchange earnings and Outgo-

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

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

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

ii. Total foreign exchange used and earned:

Particulars	Current year 2019-20 (₹ in Lakhs)	Previous year 2018-19 (₹ in Lakhs)
Foreign Exchange Earnings (FOB)	51,093.42	54,189.25
Foreign Exchange Outgo	1 ,054.23	2 ,619.35

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI
Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 16th June, 2020

Directors' Report (Contd...)

ANNEXURE: B

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT,2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO THE SUBSIDIARY COMPANY

Sr.No.	**1**		**1**	
Name of subsidiary	Ratnamani Inc.,USA		Ratnamani Inc.,USA	
Reporting period	2019-20		2018-19	
Reporting currency	USD	INR (₹ in Lakhs)	USD	INR (₹ in Lakhs)
Exchange Rate	1 USD = ₹ 75.39		1 USD = ₹ 69.17	
Share capital	10,000.00	6.08	10,000.00	6.08
Reserves & surplus	132,489.12	101.30	125,672.81	86.93
Total Assets	157,626.16	118.79	136,972.81	94.74
Total Liabilities	15,137.04	11.41	1,300.00	0.90
Investments	-	-	-	-
Turnover / Other Income	126,463.42	89.57	-	-
Profit before taxation	9,175.31	6.50	-1,890.62	-1.31
Provision for taxation	2,359.00	1.78	-	-
Profit after taxation	6,816.31	4.72	-1,890.62	-1.31
Proposed Dividend	-	-	-	-
% of Shareholding	100%		100%	

Note:

1) The Company has no Joint venture/Associates Companies.

2) None of the subsidiaries have been liquidated or sold during FY 2019-20 and 2018-19.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
Ratnamani Metals & Tubes Limited

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

ANNEXURE 'C'

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Our governance standards are initiated by senior management, and percolate down throughout the organization. We have engrained into our culture and into each associate the values of honesty and fairness. For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing business the right way. The Company continues to focus on good Corporate Governance, in line with the Model Code of Conduct for the Directors / Designated Employees of the Company for prevention of Insider Trading and it has also been amended from time to time in line with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations in this regard.

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

1) BOARD OF DIRECTORS

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

MATRIX OF SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD:

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a complementary diversity of skills and experience across its members. The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating a person to serve on the Board.

Skills / Expertise / Competencies	Detail for such Skills / Expertise / Competencies
Knowledge	Understanding of the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.
Financial expertise	Qualification and / or experience in accounting and/or finance coupled with ability to analyse the key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.
Corporate Governance, risk and Compliance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates including establishing risk and compliance frameworks, identifying and monitoring key risks.
Behavioural Skills	Attributes and the competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders;

These skills / competencies are broad-based, encompassing several areas of expertise / experience. Each Director may possess varied combinations of skills / experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

Directors' Report (Contd...)

Composition of the Board

The Board of Directors of your Company consists of balanced mix of Executive and Non-Executive Directors which meets the requirement of the Corporate Governance as stipulated under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013. Your company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as Professionals and also from Business Executives and through their valuable experience.

The Executive Chairman heads the Board of Directors. The total strength of the Board of Directors of the Company are 7 (Seven) members as on 31st March, 2020, comprising 3 (Three) Executive Directors and 4 (Four) Non-Executive Independent Directors including one Women Director.

The Independent Directors are the Non-Executive Directors of the Company as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder. Further, in terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent of the management.

The details of composition of the Board as at 31st March, 2020 and other information are given herein below:

Category	Name of the Director(s)	Position held	No. of Directorship in listed entities	Memberships/ Chairmanships of Committee		No. of Equity Shares held as on 31st March, 2020
				Member ship	Chairman ship	
Promoter Executive	Shri Prakash M. Sanghvi	Chairman & Managing Director	1	0	0	72,18,385
	Shri Jayanti M. Sanghvi	Joint Managing Director	1	2	0	39,11,025
	Shri Shanti M. Sanghvi	Whole Time Director	1	0	0	18,16,995
Independent Non-Executive	Shri Divyabhas C. Anjaria	Independent Director	2	3	3	22,065
	Dr. Vinodkumar M. Agrawal	Independent Director	1	2	0	27,500
	Shri Pravinchandra M. Mehta	Independent Director	1	0	0	7,000
	Smt. Nidhi G. Gadhecha	Independent Women Director	1	1	0	841

Notes:

1. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other except Shri Prakash M. Sanghvi, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi who are brothers and related to each other.

2. None of the Directors on the Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees (as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all the Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Memberships of other Boards/ Board Committees:

Name and Designation of the Director	No. of other Directorship Held		Name of the other listed entities where Directorship held & Category of Directorship	No. of other Board Committees of which Member / Chairperson
	Listed Company	Other Company		
Shri Prakash M. Sanghvi, Chairman & Managing Director	0	0	Nil	0
Shri Jayanti M. Sanghvi, Joint Managing Director	0	1	Nil	0
Shri Shanti M. Sanghvi, Whole Time Director	0	0	Nil	0
Shri Divyabhas C. Anjaria, Independent Director	1	4	Gujarat State Fertilizers & Chemicals Limited	1 – Chairman 1 – Member
Dr. Vinodkumar M. Agrawal, Independent Director	0	0	Nil	0
Shri Pravinchandra M. Mehta, Independent Director	0	0	Nil	0
Smt. Nidhi G. Gadhecha, Independent Director	0	0	Nil	0

Directors' Attendance Records for the financial year ended on 31st March, 2020

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

During the Financial Year 2019-20, 6 (Six) Board Meetings were held on 29th May, 2019, 8th August, 2019, 25th October, 2019, 14th November, 2019, 5th February, 2020 and 5th March, 2020. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 29th May, 2019, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

Directors' Report (Contd...)

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

EVALUATION OF THE BOARD'S PERFORMANCE:

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

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

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

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

Board Meetings, Committee Meetings and Procedures

In terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Companies Act, 2013, the Board meets at least once in a quarter with a gap between two meetings not exceeding one hundred and twenty days. Additional meetings of the Board are held 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 in Board Meeting as well as Committee Meetings. The meetings are usually held at the Company's offices.

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

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

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

2) BOARD COMMITTEES

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

The Company has at present the following committees namely:

i) Audit Committee

ii) Nomination and Remuneration Committee

iii) Stakeholders Relationship Committee

iv) Corporate Social Responsibility Committee

v) Risk Management Committee

vi) Sub-Committee for Borrowings

vii) Project Review Committee

viii) Management Committee

2.1. Audit Committee

Composition

The Audit Committee is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and comprises of 3 (Three) Non-Executive Independent Directors who are eminent professionals and 1 (One) Executive Director.

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

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

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, four meetings of the Audit Committee were held on 28th May, 2019, 8th August, 2019, 25th October, 2019 and 5th February, 2020. The Chairman of the Audit Committee has not attended the last Annual General Meeting of the Company held on 9th August, 2019, due to his pre-occupation.

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 Divyabhash C. Anjaria	Independent Non-Executive	Chairman	4	4
Dr. Vinod M. Agrawal	Independent Non-Executive	Member	4	4
Smt. Nidhi G. Gadhecha	Independent Non-Executive	Member	4	4
Shri Jayanti M. Sanghvi	Promoter Executive	Member	4	4

Overall Attendance: 100%

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

Terms of reference

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

A. Oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

B. Recommending for appointment, remuneration and terms of appointment of auditors of the company.

Directors' Report (Contd...)

C. Approval of payment to statutory auditors for any other service rendered by them.

D. Examination of the annual financial statements and the auditors' report thereon.

E. Reviewing the quarterly financial statements of the Company.

F. Management discussion and analysis of financial conditions and results of operation.

G. Internal audit report or statutory auditor's report.

H. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

I. Approval or any subsequent modification of transactions of the Company with related parties.

J. Scrutiny of inter-corporate loans and investments.

K. Valuation of undertakings or assets of the company, wherever it is necessary.

L. Evaluation of internal financial controls and risk management systems.

M. Reviewing statutory and internal auditor's performance and adequacy of the internal control system.

N. Reviewing the adequacy of internal audit function including structure of the internal audit department, staffing, reporting structure coverage and frequency of internal audit.

O. Reviewing finding of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matter to the Board.

P. Review the functioning of the whistle blower mechanism.

Q. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees ₹ 100.00 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Powers:

The Audit Committee has the following Powers:

i. To investigate any activity within its terms of reference.

ii. To seek any information from any employee.

iii. To obtain outside legal and professional advice.

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

2.2. Nomination and Remuneration Committee

Composition

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

Meetings and Attendance

During the year, 1 (One) meeting of the Nomination and Remuneration Committee was held on 28th May, 2019. The Chairman of the Committee had also attended the last Annual General Meeting of the Company which was held on 9th August, 2019.

Name of Director(s)	Category	Status	No. of Meetings held	No. of Meetings Attended
Shri Divyabhash C. Anjaria	Independent Non-Executive	Chairman	1	1
Dr. Vinodkumar M. Agrawal	Independent Non-Executive	Member	1	1
Shri Pravinchandra M. Mehta	Independent Non-Executive	Member	1	1

Overall attendance: 100%

The Company Secretary acts as the Secretary to the Committee.

Terms of reference:

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

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and to decide to extend or continue the term of appointment of the Independent director on the basis of the report of performance evaluation and to recommend to the board of directors a policy relating to the remuneration of the directors and KMP and other employees.
2. To evaluate the performance of Independent Directors and the Board of Directors.
3. To devise a policy on diversity of Board of Directors.
4. To identify persons who are qualified to become Directors, as and when so required, and who may be appointed in senior management in accordance with the criteria laid down by the Committee.
5. To consider and recommend to the Board appointment and removal of directors, other persons in Senior management and key managerial personnel (KMP).
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To recommend to the Board, all remuneration, in whatever form, payable to the Senior Management of the Company.

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

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

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

i) Fixed pay:

a) Basic salary

b) Allowances

c) Perquisites

d) Retirement benefits

ii) Variable pay (applicable to Executive Directors)

Factors for determining and changing fixed pay:

i) Existing compensation

ii) Educational Qualifications

iii) Experience

iv) Salary structure for the position

v) Performance

vi) Compensation ruling in the Market in similar industries for similar positions

Factors for determining variable pay:

i) Company performance

ii) Individual's performance

Directors' Report (Contd...)

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

a. Details of Remuneration / Sitting fees of Directors

The details of Remunerations / Sitting fees paid to Executive and Non-Executive Directors for the financial year 2019-20 are as under:

(₹ in Lakhs)

Name of Director	Salary	Commission	Perquisites	Retirement Benefits	Assignment of Key Man Insurance Policy	Sitting Fees	Total
Shri Prakash M. Sanghvi	173.00	1,550.00	0.16	20.76	0.00	0.00	1,743.92
Shri Jayanti M. Sanghvi	148.00	930.00	1.58	17.76	0.00	0.00	1,097.34
Shri Shanti M. Sanghvi	123.50	620.00	0.00	14.82	0.00	0.00	758.32
Shri Divyabhash C. Anjaria	0.00	0.00	0.00	0.00	0.00	6.00	6.00
Shri Pravinchandra M. Mehta	0.00	0.00	0.00	0.00	0.00	4.80	4.80
Dr. Vinod M. Agrawal	0.00	0.00	0.00	0.00	0.00	5.60	5.60
Smt. Nidhi G. Gadhecha	0.00	0.00	0.00	0.00	0.00	4.40	4.40

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

Terms of Agreement	Shri Prakash M. Sanghvi, Managing Director	Shri Jayanti M. Sanghvi, Joint Managing Director	Shri Shanti M. Sanghvi, Whole Time Director
Period of Appointment	5 Years	5 Years	5 Years
Date of Appointment	1st November, 2018	1st November, 2018	1st November, 2018
Shareholders' approval in the AGM held on	9th August, 2018	9th August, 2018	9th August, 2018
Notice Period for the termination of the Contract	The services of all the three Executive Directors are contractual and for a term of 5 (Five) years. For any termination of Service Contract, the Company or the Executive Director is required to give a notice of 3 (Three) Months or pay 3 (Three) month's salary in lieu thereof to the other party.		

The Non-Executive Directors were paid Sitting Fees of ₹ 40,000/- for each Board Meeting and for certain Committee Meetings attended during the year 2019-20.

2.3. Stakeholders Relationship Committee

Composition and terms of reference

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

During the year, 2 (Two) meetings of the Stakeholders Relationship Committee were held on 28th May, 2019 and 25th October, 2019. The Chairman of the Stakeholders Relationship Committee has not attended the last Annual General Meeting of the Company held on 9th August, 2019, due to his pre-occupation. The Committee also recommends steps to be taken for quality services to the investors. The composition of the said Committee and details of meeting are as under:

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

The Company Secretary acts as the Secretary to the Committee.

Investor Complaints

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

Sr. No	Nature of Complaints	Opening Balance as on 1st April, 2019	Received during the Year	Redressed/ Attended during the year	Pending as on 31st March, 2020
1	Non-receipt of share certificate after transfer of Shares	Nil	Nil	Nil	Nil
2	Non-receipt of Dividend Warrants	Nil	Nil	Nil	Nil
3	Non receipt of Annual Reports	Nil	2	2	Nil
4	**Others** :				
	a) Query regarding Demat Credit	Nil	Nil	Nil	Nil
	b) Non-receipt of duplicate share certificate after issue	Nil	Nil	Nil	Nil
	c) Non-Exchange of New shares	Nil	Nil	Nil	Nil
Total		Nil	2	2	Nil

At present the entire activities related to share transfers, transmission, exchange of shares, etc. are handled by the Registrar and Transfer Agent namely Link Intime India Private Limited, a SEBI authorized Registrar, who also provides electronic connectivity with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") to carry out such assigned work.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Transfer Agent are also submitted to the Stock Exchanges on a half yearly basis.

2.4 Corporate Social Responsibility Committee

Composition & Terms of reference

The Corporate Social Responsibility ("CSR") Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The committee formulates, reviews and recommends the amount of expenditure to be incurred on C.S.R. activities and regularly monitors C.S.R. activities to accomplish the objectives of the implementation of C.S.R. policy. The C.S.R. Committee comprises of 3 (Three) Directors out of which 2 (Two) Directors are Executive and 1 (One) is an Independent Director of the Company. Shri Pravinchandra M. Mehta, Independent and Non-Executive Director is the Chairman, Shri Prakash M. Sanghvi and Shri Jayanti M. Sanghvi, Executive Directors are the members of the Committee.

Meetings and Attendance

During the year, 3 (Three) Meetings were convened and held on 28th May, 2019, 8th August, 2019 and 14th November, 2019.

The following table summarises the attendance of the Committee members:

Name of Director(s)	Category	Status	No. of Meetings held	No. of Meetings Attended
Shri Pravinchandra M. Mehta	Independent Non-Executive	Chairman	3	3
Shri Prakash M. Sanghvi	Executive Director	Member	3	3
Shri Jayanti M. Sanghvi	Executive Director	Member	3	3

Overall attendance: 100%

The Company Secretary acts as the Secretary to the Committee.

Directors' Report (Contd...)

2.5 Risk Management Committee

Composition and terms of reference

The Company has constituted the Risk Management Committee on 10th November, 2011. The Company has formed the Risk Management Committee to frame and supervise risk management policies of the Company and also to review various risks including cyber security being faced by the company and to formulate the mitigation plans thereof from time to time.

Further, SEBI vide its notification dated 9th May, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and made it mandatory for the top 500 listed entities to have Risk Management Committee. The Committee shall meet at least once in a year.

During the year under review, 1 (One) meeting was convened and held on 28th May, 2019. Both the members were present in the above meeting.

Composition, Meetings and attendance

The Risk Management Committee comprises of Shri Divyabhash C. Anjaria, Independent Non-Executive Director is the Chairman and Shri Prakash M. Sanghvi, Chairman and Managing Director is a Member of the Committee.

The Company Secretary acts as the Secretary to the Committee.

3) GENERAL BODY MEETINGS

A. Annual General Meeting:

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

AGM	Financial Year	Date	Time	Special Resolutions Passed
33rd	2016-17	12/09/2017	10.00 a.m.	1*
34th	2017-18	09/08/2018	10.00 a.m.	4*
35th	2018-19	09/08/2019	10.00 a.m.	3*

** Special resolutions indicated above were passed through E-voting and ballot papers which were made available at the AGM venue.*

B. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during F.Y. 2019-20

C. Postal Ballot

No Special resolution was passed through Postal Ballot during the financial year 2019-20.

4) DISCLOSURES

4.1 Related party transactions

Full disclosure of related party transactions as per Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India is given under Note No.30 of Notes to Financial Statements. The Company has formed Related Party Transaction Policy and the same is hosted on the website of the Company.

4.2 Accounting Treatment

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

4.3 Risk Management

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

4.4 Strictures / Penalties

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

4.5 Statutory Registers

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

4.6 Vigil Mechanism / Whistle Blower Policy

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

4.7 Policy on Preservation of Documents

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

4.8 Certificate of Non-Disqualification of Directors by Company Secretary in Practice

Pursuant to amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

The Company has complied with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

4.10 Shareholders Rights

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

4.11 Training of Board Members

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

4.12 Audit qualifications

There are no qualifications in the Auditors' Report on the Financial Statements of the Company for the F.Y. 2019-20.

4.13 Reporting of Internal Auditors

The Internal Auditors directly report to the Shri Jayanti M. Sanghvi, Joint Managing Director of the Company.

4.13 Compliance of Regulation 26(6) of the Listing Regulations

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

4.14 Fees paid to Statutory Auditors

During the year, total amount for all services, paid by the Company and its subsidiary, on a consolidated basis to the Joint Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part, are as under:

(₹ in Lakhs)

Payments to Joint Statutory Auditors	
As Auditors:	
Audit Fee	27.45
Limited Review	13.50
	40.95
In other capacity:	
Certification	1.83
Reimbursement of expenses	2.77
	4.60
Total	**45.55**

Directors' Report (Contd...)

5) CERTIFICATION

The Board has received MD & CFO Certification under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was placed before the Board of Directors of the Company.

6) MEANS OF COMMUNICATIONS

The quarterly, half-yearly and annual financial results of the company are sent to the stock exchanges immediately after these are approved by the Board. These are widely published in the Economic Time (English & Gujarati Edition) and Financial Express (English & Gujarati Edition) etc.

The results are simultaneously posted on the Company's website at www.ratnamani.com.

Other communications are as under.

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

1) GENERAL SHAREHOLDERS INFORMATION

A. General Information

36th Annual General Meeting

Date	:	Thursday, 27th August, 2020
Time	:	10:00 am
Venue	:	The 36th AGM will be held through Video Conference / Other Audio Visual Means ("**VC** / **OAVM**")
Remote E-voting Period	:	The voting period begins on Monday, 24th August, 2020 at 10.00 A.M. and ends on Wednesday, 26th August, 2020 at 5.00 P.M.
Cut-off date for Remote E-voting	:	Thursday, 20th August, 2020

B. Tentative Financial Calendar for the Financial Year 2020-21:

Financial Year	:	1st April, 2020 to 31st March, 2021
Financial Results		
First Quarter ended on 30th June, 2020	:	Second week of August 2020
Half year ended on 30th September, 2020	:	Second week of November 2020
Third Quarter ended on 31st December, 2020	:	Second week of February, 2021
Fourth Quarter ended on 31st March, 2021	:	Last week of May 2021
AGM for the year 2020-21	:	August / September 2021

C. Listing on Stock Exchanges:

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

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

D. Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the Financial Year 2020-21 to the above Stock Exchanges.

E. Custodial Fees to the Depositories:

The Company has paid custodial fees for the Financial Year 2020-21 to the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

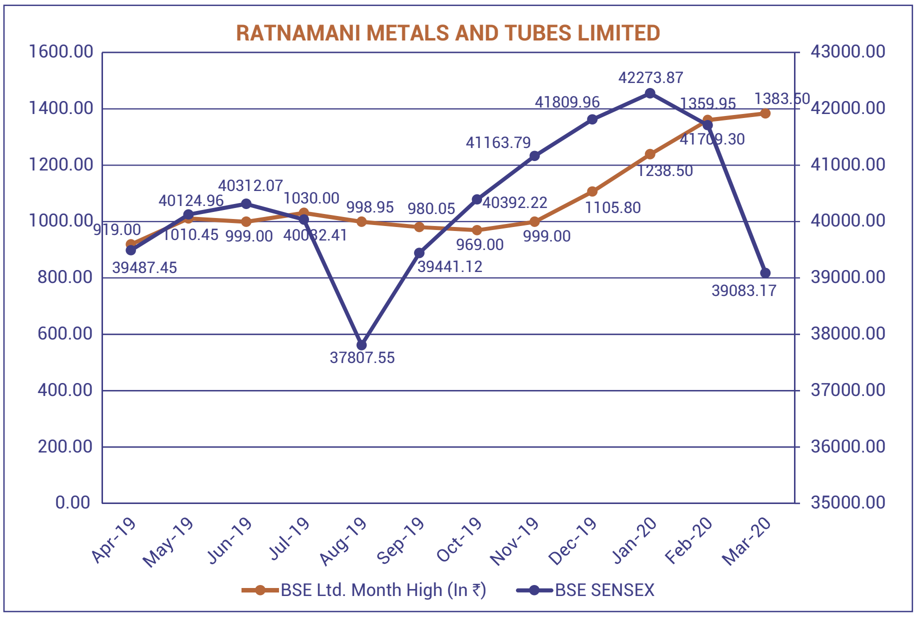
F. Stock Code / Symbol / ISIN / CIN:

Stock Exchanges	Scrip Code
BSE Ltd ("BSE")	520111
National Stock Exchange of India Ltd. ("NSE")	RATNAMANI
International Security Identification Number ("ISIN")	INE703B01027
Corporate Identity Number ("CIN")	L70109GJ1983PLC006460

G. Market Price Data:

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

Month	Share price BSE		BSE Sensex		BSE Volumes (No. of Shares)	Share price NSE		NSE (NIFTY)		NSE Volumes (No. of Shares)
	High (₹)	Low (₹)	High	Low		High (₹)	Low (₹)	High	Low	
April-19	919.00	870.00	39487.45	38460.25	7759	925.00	868.45	11856.15	11549.10	137242
May-19	1010.45	831.70	40124.96	36956.10	161791	1007.70	830.30	12041.15	11108.30	571309
June-19	999.00	936.00	40312.07	38870.96	47931	999.80	936.00	12103.05	11625.10	2263793
July-19	1030.00	895.65	40032.41	37128.26	15096	1035.00	890.15	11981.75	10999.40	806517
Aug-19	998.95	885.00	37807.55	36102.35	15053	948.90	882.05	11181.45	10637.15	71940
Sept-19	980.05	882.50	39441.12	35987.80	5626	986.20	880.00	11694.85	10670.25	92370
Oct-19	969.00	893.55	40392.22	37415.83	460365	974.00	892.00	11945.00	11090.15	460562
Nov-19	999.00	925.00	41163.79	40014.23	13080	1000.00	928.90	12158.80	11802.65	267845
Dec-19	1105.80	963.10	41809.96	40135.37	14998	1105.00	970.90	12293.90	11832.30	759106
Jan-20	1238.50	1060.00	42273.87	40476.55	34230	1239.95	1055.00	12430.50	11929.60	664415
Feb-20	1359.95	1213.60	41709.30	38219.97	77744	1360.00	1201.00	12246.70	11175.05	433700
Mar-20	1383.50	715.55	39083.17	25638.90	46040	1390.00	719.10	11433.00	7511.10	543065



Directors' Report (Contd...)

H. Registrar & Share Transfer Agents (RTA)

Link Intime India Private Limited is appointed as the Registrar and Transfer Agent of the Company.

I. Share Transfer System

In compliance with SEBI guidelines, the Company have appointed Link Intime India Private Limited as its Registrar & Transfer Agent. All the shareholders of the Company are therefore requested to correspond directly with them on the matters related to transfer and transmission of shares, demat /remat of the shares etc. Their address for correspondence is mentioned in sub point 'S' given herein after.

Further, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed unless the securities are held in the dematerialised form with the depositories. In view of the same, Equity Shares of the Company shall be eligible for transfer only in Dematerialised form. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Limited & Central Depository Services (India) Limited. The transfer of shares in electronic mode need not be approved by the Company.

J. Demat Suspense Account / Unclaimed Suspense Account / IEPF Suspense Account:

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

K. Distribution of Shareholdings as on 31st March, 2020:

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	10706	90.28	9,52,923	2.04
501 to 1000	549	4.63	4,18,821	0.90
1001 to 2000	270	2.28	3,90,632	0.84
2001 to 3000	88	0.74	2,20,029	0.47
3001 to 4000	47	0.40	1,64,929	0.35
4001 to 5000	27	0.23	1,24,638	0.27
5001 to 10000	44	0.37	3,20,086	0.68
10001 & Above	128	1.07	4,41,35,942	94.45
Total	**11,859**	**100.00**	**4,67,28,000**	**100.00**

L. Category wise Shareholders as on 31st March, 2020:

Category	No. of Shares	% of Shareholding
Indian Promoters and Group	2,81,11,625	60.16
Mutual Fund	55,32,107	11.84
Clearing Members	8,498	0.02
Other Bodies Corporate	7,65,069	1.64
Financial Institutions	1,70,989	0.36
Foreign Portfolio Investors (Corporate)	45,43,774	9.72
Hindu Undivided Family	74,006	0.16
Nationalised Banks	330	0.00
Non Resident Indians	2,04,733	0.44
Non Resident (Non Repatriable)	26,117	0.06
Public	71,34,989	15.27
Investor Education And Protection Fund	1,55,763	0.33
Total	**4,67,28,000**	**100.00**

M. Dematerialization of Shares and liquidity

The Equity Shares of the Company are traded compulsorily in the dematerialized form by all the investors. 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 Number for both NSDL and CDSL for the Company's Equity Shares is **INE703B01027**.

Status of Dematerialization and Physical of the Company's Equity Shares as on 31st March, 2020 is as under:

Particulars		No. of shares as on 31st March, 2020	% of Total Capital as on 31st March, 2020	No. of Shareholders as on 31st March, 2020
A.	National Securities Depository Ltd. ("NSDL")	3,74,80,264	80.21	6,600
B.	Central Depository Services (India) Ltd. ("CDSL")	87,48,539	18.72	4,330
1.	Total Dematerialized Shares (A + B)	4,62,28,803	98.93	10,930
2.	Physical	4,99,197	1.07	929
Total		**4,67,28,000**	**100.00**	**11,859**

N. Corporate Benefits to Shareholders:

a. Dividend declared for the last seven years:

Financial Year	Dividend Declaration Date	Dividend Per Equity Share (in ₹)	Dividend Rate (%)	Face Value Per Equity Share (₹)
2018-19	9th August, 2019	9.00	450	2.00
2017-18	9th August, 2018	6.00	300	2.00
2016-17	12th September, 2017	5.50	275	2.00
2015-16 (Interim)	12th March, 2016	5.50	275	2.00
2014-15	23rd September, 2015	5.50	275	2.00
2013-14	11th September, 2014	4.50	225	2.00
2012-13	12th August, 2013	4.00	200	2.00

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

All unclaimed dividend amount up to financial year 2011-12 have been transferred to Investor Education & Protection Fund and no claim will lie against the Company or the funds in respect of the unclaimed amount so transferred.

c. Transfer of the "Shares" into Investor Education and Protection Fund ("IEPF") (in cases where dividend has not been paid or claimed for seven consecutive years or more

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred 5,584 equity shares to the IEPF in the F.Y. 2019-20.

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 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

Directors' Report (Contd...)

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/RTA 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 Registrar & Transfer Agent namely Link Intime India Private Limited.

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

– NIL –

Q. Plant Locations : -

Stainless Steel ("SS") Division	Survey No. 423, Ahmedabad-Mehsana Highway, Village-Indrad, Nr. Chhatral GIDC, Taluka – Kadi, Dist. Mehsana, Pin code – 382 715, Gujarat (India).
Carbon Steel ("CS") Division	Plot No. 3306 to 3309, GIDC Estate, Phase IV, Ahmedabad – Mehsana Highway, P.O. Chhatral, Taluka – Kalol, Dist.: Gandhinagar, Pin code – 382 729, Gujarat (India).
Kutch Division (SS Div. & CS Div.)	Survey No. 474, Village: Bhimasar, Tal. Anjar, Nr. Gandhidham, Dist.: Kutch, Pin code – 370 240, Gujarat (India).

R. Address and Contact details of the Company:

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

Phone No.: 079-27415504

Corporate Office: The First, A & B Wing, 9th Floor, Behind Keshav Baug Party Plot, The First Avenue Road, Off 132 Ft Ring Road, Vastrapur, Ahmedabad – 380015

Phone No.: 079-29601200/01/02, Fax No.: 079-29601210, E-mail: info@ratnamani.com, Website: www.ratnamani.com.

S. Address of the Registrar & Transfer Agent:

Shareholders may correspondence directly to Link Intime India Private Limited at the following address:

RTA's REGISTERED OFFICE ADDRESS
Link Intime India Pvt. Ltd.
Unit: Ratnamani Metals & Tubes Ltd.
C-101, 247 Park, L. B. S. Marg,
Vikhroli West, Mumbai – 400 083.
Tel. No. – (022) 49186000
Fax No. – (022) 49186060
E-mail: rnt.helpdesk@linkintime.co.in

RTA's AHMEDABAD BRANCH ADDRESS
Link Intime India Private Limited
Unit: Ratnamani Metals & Tubes Ltd.
5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC – 1),
Besides Gala Business Centre, Nr. St. Xavier's College Corner,
Off C. G. Road, Navrangpura, Ahmedabad – 380 009.
Tel No. 079-26465179
Email : ahmedabad@linkintime.co.in

8. CORPORATE ETHICS

1. Code of conduct for Board Members and Senior Management

The Board has formulated Code of Conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company. A declaration signed by the Managing Director in terms of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that all the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct during the financial year 2019-20 has been received.

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

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

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

3. **Reconciliation of Share Capital Audit Report**

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

4. **Internal Checks**

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

5. **Certification by Company Secretary in Practice**

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

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI
Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 16th June, 2020

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
the Members of
Ratnamani Metals and Tubes Limited

We have examined the compliance of the conditions of Corporate Governance by Ratnamani Metals and Tubes Limited ("the Company"), for the year ended on 31st March 2020, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For, M. C. GUPTA & CO.,
Company Secretaries

Mahesh Chand Gupta
Proprietor
FCS : 2047 (CP : 1028)
UDIN : F002047B000345346

Place : Ahmedabad
Date : 16th June, 2020

ANNEXURE "D"

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

C.S.R. Report for the financial year ended 31st March, 2020

[Pursuant to Section 135 of the Companies Act, 2013]

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	The key philosophy of all CSR initiatives of the Company is guided by the Company's philosophy of giving back to the society as a responsible corporate citizen. The CSR Policy may be accessed on the Company's website at the link: http://www.ratnamani.com/investors_relations.html > Codes and Policies > Policy > CSR Policy The Company has identified following as focus areas of engagement: a. Education: Access to quality education, training and skill enhancement. b. Environment: Environmental sustainability, ecological balance, conservation of natural resources. c. Rural Transformation: Provision of drinking water, sewage facilities, sanitation facilities, roads. d. Health: Affordable solutions for healthcare through improved access and awareness. e. Animal Welfare: Initiatives for various welfare activities towards environment. f. Eradicating Hunger: Eradicating of Hunger by providing mid- day meal. g. The Company would also like to undertake other need-based initiatives in future. A brief account of the projects and programs that have been supported by the Company during the year 2019-20 is mentioned in Section 5 of this report in the Format given by the Ministry of Corporate Affairs.
2.	The Composition of the CSR Committee	The Company has a Corporate Social Responsibility (CSR) Committee comprising of following three directors: 1. Shri Pravinchandra M. Mehta, Chairman 2. Shri Prakash M. Sanghvi, Member 3. Shri Jayanti M. Sanghvi, Member
3.	Average net profit of the Company for last three financial years:	₹ 26,639.05 Lakhs
4.	Prescribed CSR Expenditure (two percentage of the amount as in item 3 above)	₹ 532.78 Lakhs
5.	Details of CSR spend for the financial year	
a.	Total amount spent for the financial year: CSR Activities	The Company has spent ₹ 488.34 Lakhs towards Corporate Social Responsibility (CSR).
b.	Amount unspent, if any Reasons for not spending the amount	₹ 44.44 Lakhs Our Company wants to identify the most useful and relevant purposes that will benefit the society at large and the Company has been working on it. In the coming financial years we will try to allocate the resources in the best possible manner.
c.	Manner in which the amount spent during the financial year	Manner in which the amount is spent and details are provided as given below:

Directors' Report (Contd...)

(₹ in Lakhs)

Sr. No.	Sector	Project / Activities	Location	Outlay		Cumulative Expenditure up to reporting period	Direct/Implementing agency
				Budget	Actual		
1.	Education of children in the Rural Area	Promotion of education by enhancing infrastructural facilities	Becharaji	160.00	160.00	160.00	Direct
		Promotion of education and welfare for the abandoned Kids	Ahmedabad	0.40	0.40	0.40	Kavita Foundation
		Promotion of Education	Nenava	1.03	1.03	1.03	Direct
			Ahmedabad	0.80	0.80	0.80	
		Promotion of Education by providing education material	Nenava	1.24	1.24	1.24	Direct
			Kutch	1.92	1.92	1.92	Direct
2	Ensuring Animal Welfare	Ensuring continuous welfare of Animals	Pathmeda	18.72	18.72	18.72	Direct
		Promotion of Animal Welfare by providing them the cattle feed	Kutch	8.83	8.83	8.83	Direct
3.	Promotion of preventive Healthcare	Assisting Hospitals for better Infrastructure	Ahmedabad	199.00	199.00	199.00	Direct
		Assisting the domestic people for Preventive Healthcare	Ahmedabad	7.39	7.39	7.39	India Renal foundation
4.	Rural Development	Construction & sanitary blocks for the under privileged people	Kutch	2.83	2.83	2.83	Direct
			Nenava & Surrounding Villages	1.06	1.06	1.06	Direct
		Deepening of ponds	Kutch	5.59	5.59	5.59	ACIL Navasarjan Rural Development
			Kakanu Tarapur	9.15	9.15	9.15	
			Dhanot	4.45	4.45	4.45	
		Infrastructure Development	Nenava & Surrounding Villages	23.62	23.62	23.62	Direct
			Kutch	0.50	0.50	0.50	Tappar Pani Samiti

Directors' Report (Contd...)

(₹ in Lakhs)

Sr. No.	Sector	Project / Activities	Location	Outlay		Cumulative Expenditure up to reporting period	Direct/Implementing agency
				Budget	Actual		
5.	Enhancing Vocational Skills amongst women and Persons	Stitching and Sewing classes , Mehndi Class and Art & Craft Class & Gruh Udhyog classes	Nenava & Surrounding Villages	3.29	3.29	3.29	Direct
		Skill Enhancement Program	Kutch	3.73	3.73	3.73	CLR Skills Training Foundation
		Training Program For CSR	Ahmedabad	0.06	0.06	0.06	Direct
6.	Ensuring Environmental sustainability	Plantation & maintenance of plants	Nenava	3.03	3.03	3.03	Direct
			Kutch	1.20	1.20	1.20	Direct
			Shankhalpur	2.48	2.48	2.48	Direct
			Kakanu Tarapur	0.37	0.37	0.37	Direct
7.	Conservation of Ecology	Distribution of Sparrow Nests, Bird Feeder to sensitize the society towards conservation of the Sparrows	Ahmedabad	2.85	2.85	2.85	Direct
8.	Eradicating Hunger	Providing Mid-Day Meal for school students	Ahmedabad	11.00	11.00	11.00	The Akshayapatra Foundation
		Ration Packets Distribution to Poor Families	Bhimasar	0.80	0.80	0.80	Gopichand Prahladrai & Co.
9.	Disaster Management	Flood Relief	Maharashtra	13.00	13.00	13.00	Direct
		TOTAL		**488.34**	**488.34**	**488.34**	

Date : 16th June, 2020
Place : Ahmedabad

PRAVINCHANDRA M. MEHTA
Chairman of CSR Committee
DIN: 00012410

PRAKASH M. SANGHVI
Managing Director
DIN: 00006354

ANNEXURE 'E'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2020

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

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L70109GJ1983PLC006460
ii.	Registration Date	15/09/1983
iii.	Name of the Company	Ratnamani Metals & Tubes Limited
iv.	Category/Sub-category of the Company	Public Company/ Listed by Shares
v.	Address of the Registered office & Contact details	17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad – 380013 Tel. No. 079-27415504 Email id: info@ratnamani.com
vi.	Whether listed company	Yes
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited **Unit:** Ratnamani Metals & Tubes Ltd. C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083. Tel. No. – 022-49186000 Fax No. – 022-49186060 E-mail : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Manufacture of tube and tube fittings of basic iron and steel	24106	97.66%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

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

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	28079625	0	28079625	60.09	28111625	0	28111625	60.16	0.07
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	**28079625**	**0**	**28079625**	**60.09**	**28111625**	**0**	**28111625**	**60.16**	**0.07**
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**28079625**	**0**	**28079625**	**60.09**	**28111625**	**0**	**28111625**	**60.16**	**0.07**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	4082834	0	4082834	8.74	5532107	0	5532107	11.84	3.10
b) Banks/Financial Institutions	6153	0	6153	0.01	171319	0	171319	0.37	0.36
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Alternate Investment Funds	300	0	300	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investors	5450731	0	5450731	11.66	4543774	0	4543774	9.72	-1.94
j) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
Others(specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	**9540018**	**0**	**9540018**	**20.42**	**10247200**	**0**	**10247200**	**21.93**	**1.51**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	823865	0	823865	1.76	765069	0	765069	1.64	-0.12
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakhs	2521695	399026	2920721	6.25	2508484	350752	2859236	6.12	-0.13
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	4866587	0	4866587	10.41	4275753	0	4275753	9.15	-1.26
c) NBFCs registered with RBI	1160	0	1160	0.00	0	0	0	0.00	0.00

Directors' Report (Contd...)

Category of Shareholders		No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d)	Overseas Depositories (holding DRs)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Others (specify)									
i)	Non Resident Repatriates	67112	151445	218557	0.47	56288	148445	204733	0.44	-0.03
ii)	Non Resident Non Repatriates	23522	0	23522	0.05	26117	0	26117	0.05	0.00
iii)	Clearing Members	10119	0	10119	0.02	8498	0	8498	0.02	0.00
iv)	Hindu Undivided Family	93647	0	93647	0.20	74006	0	74006	0.16	-0.04
v)	IEPF	150179	0	150179	0.32	155763	0	155763	0.33	0.01
	SUB TOTAL (B)(2):	**8557886**	**550471**	**9108357**	**19.49**	**7869978**	**499197**	**8369175**	**17.91**	**-1.58**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**18097904**	**550471**	**18648375**	**39.91**	**18117178**	**499197**	**18616375**	**39.84**	**-0.08**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A+B+C)	**46177529**	**550471**	**46728000**	**100.00**	**46228803**	**499197**	**46728000**	**100.00**	**0.00**

(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in share holding during the year
1	Prakash M. Sanghvi	1605339	3.43	0.00	1605339	3.43	0.00	0.00
2	Prakashmal Mishrimal Sanghvi	3821351	8.18	0.00	3821351	8.18	0.00	0.00
3	Prakash Misrimal Sanghvi	1759695	3.76	0.00	1759695	3.76	0.00	0.00
4	Sanghvi Prakashmal Mishrimal – HUF	422330	0.90	0.00	422330	0.90	0.00	0.00
5	Prakashmal Mishrimal Sanghvi – HUF	85000	0.18	0.00	85000	0.18	0.00	0.00
6	Prakash Misrimal Sanghvi	0	0.00	0.00	32000	0.07	0.00	0.07
7	Rashmi Prakashmal Sanghvi	1563750	3.35	0.00	1563750	3.35	0.00	0.00
8	Manoj Prakash Sanghvi	938495	2.01	0.00	938495	2.01	0.00	0.00
9	Manoj Prakash Sanghvi	31000	0.07	0.00	31000	0.07	0.00	0.00
10	Dimple Manoj Sanghvi	212500	0.45	0.00	212500	0.45	0.00	0.00
11	Nilesh Prakash Sanghvi	934800	2.00	0.00	934800	2.00	0.00	0.00
12	Shital Nilesh Sanghvi	25000	0.05	0.00	25000	0.05	0.00	0.00
13	Jigar P. Sanghvi	756320	1.62	0.00	756320	1.62	0.00	0.00
14	Payal Rajendra Doshi	0	0.00	0.00	0	0.00	0.00	0.00
15	Jyantilal Mistrimal Sanghvi	3616195	7.74	0.00	3616195	7.74	0.00	0.00
16	Jayantilal Mistrimal Sanghvi	294830	0.63	0.00	294830	0.63	0.00	0.00

Directors' Report (Contd...)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in share holding during the year
17	Jayantilal Misrimal Sanghvi –HUF	416835	0.89	0.00	416835	0.89	0.00	0.00
18	Jayantilal M. Sanghvi – HUF	39830	0.09	0.00	39830	0.09	0.00	0.00
19	Sobhnadevi Jayantilal Sanghvi	456415	0.98	0.00	456415	0.98	0.00	0.00
20	Prashant Jayantilal Sanghvi	776740	1.66	0.00	776740	1.66	0.00	0.00
21	Sarika Prashant Sanghvi	175000	0.37	0.00	175000	0.37	0.00	0.00
22	Sheetal J. Sanghvi	0	0.00	0.00	0	0.00	0.00	0.00
23	Shantilal Mishrimal Sanghvi	1586995	3.40	0.00	1586995	3.40	0.00	0.00
24	Shantilal Mishrimal Sanghvi	230000	0.49	0.00	230000	0.49	0.00	0.00
25	Sangvi Santilal Mishrimal – HUF	462165	0.99	0.00	462165	0.99	0.00	0.00
26	Shashi Santilal Sanghvi	296000	0.63	0.00	296000	0.63	0.00	0.00
27	Shashi Shanti Sanghvi	292250	0.63	0.00	292250	0.63	0.00	0.00
28	Shashi Shantilal Sanghvi	250000	0.54	0.00	250000	0.54	0.00	0.00
29	Yashkumar Shantilal Sanghvi	182000	0.39	0.00	182000	0.39	0.00	0.00
30	Yash Shanti Sanghvi	130000	0.28	0.00	130000	0.28	0.00	0.00
31	Pavankumar Mishrimalji Sanghvi	150000	0.32	0.00	150000	0.32	0.00	0.00
32	Pavan Kumar M Sanghvi – HUF	131250	0.28	0.00	131250	0.28	0.00	0.00
33	Pavankumar M Sanghvi	103165	0.22	0.00	103165	0.22	0.00	0.00
34	Pawankumar Mishrimalji Sanghvi	86400	0.18	0.00	86400	0.18	0.00	0.00
35	Pavankumar Mishrimal Sanghvi	318600	0.68	0.00	318600	0.68	0.00	0.00
36	Vimlaben Pavankumar Sanghvi	1402415	3.00	0.00	1402415	3.00	0.00	0.00
37	Vimla Pawan Sanghvi	21665	0.05	0.00	21665	0.05	0.00	0.00
38	Ravi Kumar P Sanghvi	255415	0.55	0.00	255415	0.55	0.00	0.00
39	Ravi Sanghvi	325000	0.70	0.00	325000	0.70	0.00	0.00
40	Chunilal Mishrimal Sanghvi	1271010	2.72	0.00	1271010	2.72	0.00	0.00
41	Sanghvi Chunilal Mishrimal – HUF	409000	0.88	0.00	409000	0.88	0.00	0.00
42	Arunaben Chunilal Sanghvi	45205	0.10	0.00	45205	0.10	0.00	0.00
43	Mahendra Chunilal Sanghvi	40000	0.09	0.00	40000	0.09	0.00	0.00
44	Usha Mahendra Sanghvi	259830	0.55	0.00	259830	0.55	0.00	0.00
45	Rishabh M Sanghvi	25000	0.05	0.00	25000	0.05	0.00	0.00
46	Vijay Chunilal Sanghavi	50810	0.11	0.00	50810	0.11	0.00	0.00

Directors' Report (Contd...)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in share holding during the year
47	Chandra Vijay Sanghvi	353125	0.76	0.00	353125	0.76	0.00	0.00
48	Babulal Mishrimal Sanghvi	139330	0.30	0.00	139330	0.30	0.00	0.00
49	Babulal Mishrimal Sanghvi – HUF	505495	1.08	0.00	505495	1.08	0.00	0.00
50	Shantaben Babulal Sanghvi	528915	1.13	0.00	528915	1.13	0.00	0.00
51	Jitendra Babulal Sanghvi	247160	0.52	0.00	247160	0.52	0.00	0.00
52	Pinky Jitendra Sanghvi	50000	0.11	0.00	50000	0.10	0.00	0.00
	Total	**28079625**	**60.09**	**0.00**	**28111625**	**60.16**	**0.00**	**0.07**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	Name of the Promoter	Shareholding			Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)			
		No of Shares at the beginning of the year (01/04/19) / end of the year (31/03/20)	% of total shares of the company	Date of opening / closing / transfer	Increase / Decrease in share holding	Reason	No of shares	% of total shares of the company
1	Prakash Mishrimal Sanghvi	0	0.00	01/04/2019	-	-	0	0.00
		-	0.07	24/03/2020	32000	Transfer	32000	0.07
		32000	0.07	31/03/2020	-	-	32000	0.07

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Name of the Top Ten Shareholders	Shareholding			Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)			
		No of Shares at the beginning of the year (01/04/2019) / end of the year (31/03/2020)	% of total shares of the company	Date of opening / closing / transfer	Increase / Decrease in shareholding	Reason	No of Shares	% of total shares of the company
1	Nalanda India Fund Limited	2850155	6.10	01/04/2019	-	-	2850155	6.10
		2850155	6.10	31/03/2020	-	-	2850155	6.10
2	Chunilal Fojaji Sanghvi	1535780	3.29	01/04/2019	-	-	1535780	3.29
		1535780	3.29	31/03/2020	-	-	1535780	3.29
3	Divya Vaghela	1500000	3.21	01/04/2019	-	-	1500000	3.21
			-0.21	29/06/2019	-100000	Transfer	1400000	3.00
			-0.02	05/07/2019	-8556	Transfer	1391444	2.98
		1391444	2.98	31/03/2020	-	-	1391444	2.98

Sr. No.	Name of the Top Ten Shareholders	Shareholding			Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)			
		No of Shares at the beginning of the year (01/04/2019) / end of the year (31/03/2020)	% of total shares of the company	Date of opening / closing / transfer	Increase / Decrease in shareholding	Reason	No of Shares	% of total shares of the company
4	L And T Mutual Fund Trustee Ltd- L And T Mid Cap Fund	1404386	3.00	01/04/2019	-	-	1404386	3.00
			0.00	24/05/2019	105000	Transfer	1509386	3.23
			0.21	05/07/2019	98428	Transfer	1607814	3.44
			0.01	12/07/2019	5572	Transfer	1613386	3.45
			-0.02	23/08/2019	-10000	Transfer	1603386	3.43
			0.01	13/09/2019	3230	Transfer	1606616	3.44
			0.00	20/09/2019	2007	Transfer	1608623	3.44
			0.00	27/09/2019	2000	Transfer	1610623	3.45
			0.00	30/09/2019	1166	Transfer	1611789	3.45
			0.01	18/10/2019	5000	Transfer	1616789	3.46
			1.51	25/10/2019	708000	Transfer	2324789	4.97
			0.21	17/01/2020	100000	Transfer	2424789	5.19
			0.05	31/01/2020	22574	Transfer	2447363	5.24
			0.01	14/02/2020	2924	Transfer	2450287	5.24
			0.00	21/02/2020	1309	Transfer	2451596	5.25
			0.11	28/02/2020	50862	Transfer	2502458	5.35
			0.04	06/03/2020	21031	Transfer	2523489	5.40
			0.01	13/03/2020	6000	Transfer	2529489	5.41
			0.09	20/03/2020	42986	Transfer	2572475	5.50
			0.01	27/03/2020	5528	Transfer	2578003	5.52
		2578003	5.52	31/03/2020	-	-	2578003	5.52
5	Kotak Emerging Equity Scheme	1194573	2.56	01/04/2019	-	-	1194573	2.56
			0.00	05/04/2019	882	Transfer	1195455	2.56
			0.00	12/04/2019	883	Transfer	1196338	2.56
			0.00	19/04/2019	769	Transfer	1197107	2.56
			0.01	03/05/2019	4915	Transfer	1202022	2.57
			0.01	17/05/2019	3690	Transfer	1205712	2.58
			0.00	24/05/2019	1308	Transfer	1207020	2.58
			0.01	07/06/2019	6905	Transfer	1213925	2.60
			0.00	14/06/2019	367	Transfer	1214292	2.60
			0.00	21/06/2019	1176	Transfer	1215468	2.60
			0.01	26/07/2019	3154	Transfer	1218622	2.61
			0.00	02/08/2019	2259	Transfer	1220881	2.61
			0.01	09/08/2019	6884	Transfer	1227765	2.63
			0.00	06/09/2019	1709	Transfer	1229474	2.63
			0.00	13/09/2019	1637	Transfer	1231111	2.63
			0.01	20/09/2019	5093	Transfer	1236204	2.64
			0.00	27/09/2019	2493	Transfer	1238697	2.65
			0.00	04/10/2019	515	Transfer	1239212	2.65

Directors' Report (Contd...)

Sr. No.	Name of the Top Ten Shareholders	Shareholding			Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)			
		No of Shares at the beginning of the year (01/04/2019) / end of the year (31/03/2020)	% of total shares of the company	Date of opening / closing / transfer	Increase / Decrease in shareholding	Reason	No of Shares	% of total shares of the company
			0.02	11/10/2019	9000	Transfer	1248212	2.67
			0.04	18/10/2019	21000	Transfer	1269212	2.72
			0.01	25/10/2019	5374	Transfer	1274586	2.73
			0.05	01/11/2019	23817	Transfer	1298403	2.78
			0.00	08/11/2019	753	Transfer	1299156	2.78
			0.06	15/11/2019	27000	Transfer	1326156	2.84
			0.02	22/11/2019	10896	Transfer	1337052	2.86
			0.01	29/11/2019	6504	Transfer	1343556	2.87
			0.00	20/12/2019	251	Transfer	1343807	2.87
			0.01	27/12/2019	5311	Transfer	1349118	2.89
			0.00	31/12/2019	299	Transfer	1349417	2.89
			0.00	03/01/2020	2024	Transfer	1351441	2.89
			0.00	10/01/2020	2254	Transfer	1353695	2.90
			-0.00	17/01/2020	-2305	Transfer	1351390	2.89
			0.02	24/01/2020	11234	Transfer	1362624	2.92
			0.02	31/01/2020	7908	Transfer	1370532	2.93
			0.03	07/02/2020	16728	Transfer	1387260	2.97
			0.02	14/02/2020	8301	Transfer	1395561	2.99
			0.02	28/02/2020	10165	Transfer	1405726	3.01
			0.02	06/03/2020	9892	Transfer	1415618	3.03
			0.08	13/03/2020	36320	Transfer	1451938	3.11
			0.06	20/03/2020	26487	Transfer	1478425	3.16
			0.09	27/03/2020	44218	Transfer	1522643	3.26
			0.00	31/03/2020	2407	Transfer	1525050	3.26
		1525050	3.26	31/03/2020	-	-	1525050	3.26
6	Nalanda India Equity Fund Limited	1461644	3.13	01/04/2019	-	-	1461644	3.13
		1461644	3.13	31/03/2020	-	-	1461644	3.13
7	DSP SMALL CAP FUND	1141797	2.44	01/04/2019	-	-	1141797	2.44
		1141797	2.44	31/03/2020	-	-	1141797	2.44
8	Rachna Credit Capital Private Limited	241000	0.51	01/04/2019	-	-	241000	0.51
		241000	0.51	31/03/2020	-	-	241000	0.51
9	Ramila V Kanugo	0	0.00	01/04/2019	-	-	0	0.00
			0.43	31/01/2020	200000	Transfer	200000	0.43
		200000	0.43	31/03/2020	-	-	200000	0.43
10	Sushila Satish Jain	0	0.00	01/04/2019	-	-	0	0.00
			0.43	14/02/2020	200000	Transfer	200000	0.43
		200000	0.43	31/03/2020	-	-	200000	0.43

Directors' Report (Contd...)

(V) Shareholding of Directors & KMP

Sr. No	Shareholding of Directors & KMP	Shareholding					Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / Decrease in share holding	Reason	No of shares	% of total shares of the company
1	Prakash M Sanghvi, Managing Director	3821351	8.18	01/04/2019	-	-	3821351	8.18
		3821351	8.18	31/03/2020	-	-	3821351	8.18
2	Prakash M Sanghvi, Managing Director	1605339	3.44	01/04/2019	-	-	1605339	3.44
		1605339	3.44	31/03/2020	-	-	1605339	3.44
3	Prakash M Sanghvi, Managing Director	1759695	3.77	01/04/2019	-	-	1759695	3.77
		1759695	3.77	31/03/2020	-	-	1759695	3.77
4	Prakash M Sanghvi, Managing Director	0	0.00	01/04/2019	-	-	0	0.00
			0.07	24/03/2020	32000	Transfer	32000	0.07
		32000	0.07	31/03/2020	-	-	32000	0.07
5	Jayantilal Mistrimal Sanghvi, Joint Managing Director	3616195	7.74	01/04/2019	-	-	3616195	7.74
		3616195	7.74	31/03/2020	-	-	3616195	7.74
6	Jayantilal Mistrimal Sanghvi, Joint Managing Director	294830	0.63	01/04/2019	-	-	294830	0.63
		294830	0.63	31/03/2020	-	-	294830	0.63
7	Shantilal Mishrimal Sanghvi, Whole Time Director	230000	0.49	01/04/2019	-	-	230000	0.49
		230000	0.49	31/03/2020	-	-	230000	0.49
8	Shantilal Mishrimal Sanghvi, Whole Time Director	1586995	3.40	01/04/2019	-	-	1586995	3.40
		1586995	3.40	31/03/2020	-	-	1586995	3.40
9	Divyabhash Chandrakant Anjaria, Independent Director	21665	0.05	01/04/2019	-	-	21665	0.05
		21665	0.05	31/03/2020	-	-	21665	0.05
10	Divyabhash Chandrakant Anjaria, Independent Director	400	0.00	01/04/2019	-	-	400	0.00
		400	0.00	31/03/2020	-	-	400	0.00
11	Vinodkumar Mahavirprasad Agrawal, Independent Director	27500	0.06	01/04/2019	-	-	27500	0.06
		27500	0.06	31/03/2020	-	-	27500	0.06
12	Pravinchandra Maganlal Mehta, Independent Director	7000	0.01	01/04/2019	-	-	7000	0.01
		7000	0.01	31/03/2020	-	-	7000	0.01
13	Nidhi G. Gadhecha, Independent Director	0	0.00	01/04/2019	-	-	0	0.00
			0.00	21/08/2019	200	Transfer	200	0.00
			0.00	22/08/2019	141	Transfer	341	0.00
			0.00	23/08/2019	200	Transfer	541	0.00
			0.00	13/03/2020	100	Transfer	641	0.00
			0.00	16/03/2020	100	Transfer	741	0.00
			0.00	19/03/2020	100	Transfer	841	0.00
		841	0.00	31/03/2020	-	-	0	0.00
14	Vimal Katta, Chief Financial Officer	25000	0.05	01/04/2019	-	-	25000	0.05
		25000	0.05	31/03/2020	-	-	25000	0.05
15	Jigar Shah, Company Secretary & Compliance Officer	0	0.00	01/04/2019	-	-	0	0.00
		0	0.00	31/03/2020	-	-	0	0.00

Directors' Report (Contd...)

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

(₹ in Lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2019				
1) Principal Amount	-	6,539.66	-	6,539.66
2) Interest due but not paid	-	10.63	-	10.63
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	**-**	**6,550.29**	**-**	**6,550.29**
Change in Indebtedness during the financial year				
+ Addition	25,153.61	2,811.38	-	27,964.99
-Reduction	-	-9,361.67	-	-9,361.67
Net change	25,153.61	-6,550.29	-	18,603.32
Indebtedness at the end of the financial year 31-03-2020				
1) Principal Amount	25,153.61	-	-	25,153.61
2) Interest due but not paid	-	-	-	
3) Interest accrued but not due	233.58	-	-	233.58
Total of (1+2+3)	**25,387.19**	**-**	**-**	**25,387.19**

VII) Remuneration Of Directors And Key Managerial Personnel

A. Remuneration to Managing Director, Whole time director

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD			Total Amount
		Shri Prakash M. Sanghvi, Chairman & Managing Director	Shri Jayanti M. Sanghvi, Joint Managing Director	Shri Shanti M. Sanghvi, Whole Time Director	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	173.00	148.00	123.50	444.50
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.16	1.58	-	1.74
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit others (specify)	1,550.00	930.00	620.00	3,100.00
5.	Others, please specify (a) Company's contribution to the Super Annuation Scheme (b) Company's contribution to the Provident Fund	0.00 20.76	0.00 17.76	0.00 14.82	0.00 53.34
	Total (A)	**1,743.92**	**1,097.34**	**758.32**	**3,599.58**
	Ceiling as per the Act (Being 10% of Net Profit calculated under the provision of Section 198 of the Companies Act, 2013)	2,125.95	1,275.57	850.38	4,251.90

Directors' Report (Contd...)

B. Remuneration to other directors: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	**Shri Divyabhas C. Anjaria**	**Shri Pravinchandra M. Mehta**	**Dr. Vinodkumar M. Agrawal**	**Smt. Nidhi G. Gadhecha**	
	(a) Fee for attending board/ committee meetings	6.00	4.80	5.60	4.40	20.80
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	**6.00**	**4.80**	**5.60**	**4.40**	**20.80**
2.	Other Non-Executive Directors					
	(a) Fee for attending board/ committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**6.00**	**4.80**	**5.60**	**4.40**	**20.80**

C. Remuneration to Key Managerial Personnel other than MD/WTD (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
1.	Gross Salary	**Shri Jigar Shah, Company Secretary**	**Shri Vimal Katta, Chief Financial Officer**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	15.22	99.48	114.70
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.42	0.42
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit others, specify	-	-	-
5.	Others, please specify (a) Company's contribution to the Super Annuation Scheme (b) Company's contribution to the Provident Fund	0.00 0.93	0.00 5.36	0.00 6.29
	Total	**16.15**	**105.26**	**121.41**

VIII) Penalties / Punishment / compounding of offences

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

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI
Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 16th June, 2020

Directors' Report (Contd...)

ANNEXURE 'F'

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ in Lakhs)

Sr. No.	Name of Directors / KMPs and Designation	Remuneration for F.Y. 2019-20	% increase / (decrease) in Remuneration in the F.Y. 2019-20	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Shri Prakash M. Sanghvi, Chairman & Managing Director	1,743.92	21.91	664.65
2.	Shri Jayanti M. Sanghvi, Joint Managing Director	1,097.34	23.16	418.23
3.	Shri Shanti M. Sanghvi, Whole Time Director	758.32	22.58	289.02
4.	Shri Divyabhash C. Anjaria, Independent Director	6.00	72.91	2.29
5.	Dr. Vinodkumar M. Agrawal, Independent Director	5.60	61.38	2.13
6.	Shri Pravinchandra M. Mehta, Independent Director	4.80	62.16	1.83
7.	Smt. Nidhi G. Gadhecha, Independent Director	4.40	176.73	1.68
8.	Shri Vimal Katta, Chief Financial Officer	105.26	13.45	40.12
9.	Shri Jigar Shah, Company Secretary & Legal Head	16.15	-3.81	6.16

Note – 1:

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

2	Increase in the median remuneration of employees	13.38%
3	No. of permanent employees on the rolls of Company as on March 31, 2020	2,276
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 13.38% whereas there is increase in the managerial remuneration for the same financial year was 7.25%. The Salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
5	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note - 2:

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

Note - 3:

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

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI
Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 16th June, 2020

Directors' Report (Contd...)

Annexure – "G"

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
RATNAMANI METALS AND TUBES LIMITED,
17, Rajmugat Society,
Naranpura Char Rasta,
Ankur Road, Naranpura,
Ahmedabad – 380 013

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Ratnamani Metals and Tubes Limited (CIN: L70109GJ1983PLC006460) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a). The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b). The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c). The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d). The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)

   (e). The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

   (f). The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g). The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit Period) (h). The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)

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

(a) Indian Boilers Act, 1923.

(b) Static and Mobile Pressure Vessels Rules, 1999.

(c) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.

(d) Hazardous Wastes (Management and Handling) Rules, 1989.

(e) The Water (Prevention and Control of Pollution) Act, 1974

(f) The Water (Prevention and Control of Pollution) Cess Act, 1977.

(g) Air (Prevention and Control of Pollution) Act, 1981.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year under review.

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

There were no dissenting views on any matter.

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

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except the following:

1. The Company had erroneously filed Form CHG-4 satisfying the Charge ID 80001941 on 4th November, 2019 instead of a modification, for one of the consortium lender having been paid in full. The concerned Form was reopened and the modification of charge in CHG-1 was filed on 17th March, 2020 to rectify the error.
2. The Company has shifted its Corporate office to Unit No. A-901 to 906 and B-901 to 906, The First, Behind Keshav Baug Party Plot, The First Avenue Road, Vastrapur, Ahmedabad 380 015 with effect from 6th January, 2020 and as confirmed by the management, all the statutory records continue to be maintained at the existing Registered Office of the Company.

For, M. C. Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

sd/-
MAHESH C. GUPTA
Proprietor
FCS: 2047 (CP. 1028)
UDIN: F002047B000345357

Place: Ahmedabad
Date: June 16, 2020

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

Directors' Report (Contd...)

Annexure: "A"

To,
The Members,
RATNAMANI METALS AND TUBES LIMITED,
17, Rajmugat Society,
Naranpura Char Rasta,
Ankur Road, Naranpura,
Ahmedabad – 380 013

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

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. In the situation of COVID-19 pandemic and resultant lockdown, we have conducted the Secretarial Audit based upon the online documents/ information provided by and discussion with the management without personal visit to the Company's premises.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. Our examination was limited to the verification of the procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, M. C. Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

sd/-
MAHESH C. GUPTA
Proprietor
FCS: 2047 (CP. 1028)
UDIN: F002047B000345357

Place: Ahmedabad
Date: June 16, 2020

ANNEXURE – H

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

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

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

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

For and on behalf of the Board of Directors

PRAKASH M. SANGHVI
Chairman and Managing Director
DIN: 00006354

Place : Ahmedabad
Date : 16th June, 2020

Independent Auditors' Report

To the Members of **Ratnamani Metals & Tubes Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Ratnamani Metals & Tubes Limited (the "Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of Trade Receivable balances - Trade receivables *(as described in note 6 of the standalone financial statements)*	
Year-end outstanding trade receivables represent balance outstanding from domestic and export customers. Trade receivables by nature carry certain risks in general which include overdue balances, customers in weaker economic and geopolitical environment, customer's ability to pay, provision in relation to expected credit loss, assessment of recovery process and compliance with risk management controls. Procedures to mitigate such risks includes element of management judgment and are important to access recoverability of trade receivables. Trade receivables has been considered a key audit matter in the current year due to the significance of the amount and element of judgement involved in overall management assessment of customers' ability to repay the outstanding balances during COVID 19 disruption.	Our audit procedures among other things, included the following: - We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to the Trade Receivable process, where we tested on a sample basis control over the customer acceptance process, collection and the assessment of the recoverability of receivables; - tested on a sample basis the aging of trade receivables at year end; - In respect of material trade receivables balances, inspected relevant contracts and correspondence with the customers, wherever applicable; - In respect of material trade receivables balances which are past due, additional procedures were performed to evaluate their historical payment trends, terms & conditions of customer contracts, assessed whether the customers are experiencing financial difficulties, and assessed expected credit loss assessment provided and impact considered by the management; - Compared the collateral in the nature of bank guarantees/letter of credits provided by customers as applicable; - Evaluated the nature of customers and obtained the understanding from management about whether any impact on those customers business because of COVID 19 pandemic, and; - Verified subsequent collection in relation to receivables outstanding as at March 31, 2020.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation

Independent Auditors' Report (Contd.)

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26(b) to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
UDIN: 20118746AAAABH6113

Place : Mumbai
Date : June 16, 2020

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

per Jinal A. Patel
Partner
Membership No.: 153599
UDIN: 20153599AAAAFA5206

Place : Ahmedabad
Date : June 16, 2020

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2020

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of steel tubes and pipes, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, undisputed dues in respect of central sales tax and value added tax which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date($)
Central Sales Tax Act, 1965	Tax, Interest and Penalty	276.84	March 2009 to March 2015	Various dates
Gujarat Value Added Tax, 2003	Tax and Interest	13.84	March 2012 to March 2015	Various dates

$ Amount is payable in 11 monthly installments under Vera Samadhan Yojna, 2019

Annexure 1 to Independent Auditors' Report (Contd.)

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

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	14.38*	April 2012 to February 2015	Commissioner (Appeals)
		204.17#	March 2012 to March 2013	Central Excise and Service Tax Appellate Tribunal
Employee State Insurance Scheme	Tax	424.79	November 1991 to March 2020	Hon'ble High Court of Gujarat
Finance Act,1994 (Service Tax)	Tax, Interest and Penalty	63.56@	April 2016 to June 2017	Commissioner (Appeals)
		176.13~	February 2012 to February 2013	Central Excise and Service Tax Appellate Tribunal
		102.38	February 2012 to February 2013	Hon'ble High Court of Gujarat
Gujarat Value Added Tax, 2003	Tax, Interest and penalty	191.70^	FY 2010-11	Dy. Commissioner (Appeals)
Customs Act 1962	Tax, Interest and penalty	224.54	March 2006	Hon'ble High Court of Bombay

*Net of ₹ 1.16 lakhs paid under protest

#Net of ₹ 10.74 lakhs paid under protest

@Net of ₹ 2.47 lakhs paid under protest

~ Net of ₹ 9.27 lakhs paid under protest

^Net of ₹ 47.87 lakhs paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards except for transaction with Ratnakar Wire Private Limited aggregating ₹ 6.42 lakhs, for which the Company has obtained approval of audit committee under section 177 of the Companies Act, 2013 for subsequent ratification in the current year.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible

Annexure 1 to Independent Auditors' Report (Contd.)

debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, reporting requirements under clause 3(xv) are not applicable to the Company and not commented upon.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
UDIN: 20118746AAAABH6113

Place : Mumbai
Date : June 16, 2020

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

per Jinal A. Patel
Partner
Membership No.: 153599
UDIN: 20153599AAAAFA5206

Place : Ahmedabad
Date : June 16, 2020

Annexure 2 to Independent Auditors' Report

Annexure 2 referred to paragraph 2 of Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2020.

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

We have audited the internal financial controls over financial reporting of Ratnamani Metals & Tubes Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these

Annexure 2 to Independent Auditors' Report (Contd.)

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
UDIN: 20118746AAAABH6113

Place : Mumbai
Date : June 16, 2020

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

per Jinal A. Patel
Partner
Membership No.: 153599
UDIN: 20153599AAAAFA5206

Place : Ahmedabad
Date : June 16, 2020

Standalone Balance Sheet
As at 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	49,913.77	43,932.42
Capital work-in-progress	3	37,146.02	17,859.81
Intangible assets	3	77.62	69.59
Financial assets	4		
Investments		6.08	6.08
Loans		13.50	20.70
Other financial assets		117.94	80.87
Other non-current assets	8	3,087.28	1,519.46
Total non-current assets		**90,362.21**	**63,488.93**
Current assets			
Inventories	5	85,921.10	59,002.93
Financial assets			
Investments	4	15,483.64	20,313.30
Trade receivables	6	37,018.34	46,206.87
Cash and cash equivalents	7 (a)	4,593.78	14,164.74
Other balances with banks	7 (b)	12,732.23	-
Loans	4	26.00	27.73
Other financial assets	4	1,133.95	593.36
Other current assets	8	7,107.16	1,425.75
Total current assets		**1,64,016.20**	**1,41,734.68**
TOTAL ASSETS		**2,54,378.41**	**2,05,223.61**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	934.56	934.56
Other equity	10	1,69,879.72	1,51,252.76
Total equity		**1,70,814.28**	**1,52,187.32**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	17,562.51	-
Other financial liabilities	14	1,077.34	730.80
Deferred tax liabilities (net)	12	3,068.22	3,591.06
Total non-current liabilities		**21,708.07**	**4,321.86**
Current liabilities			
Financial liabilities			
Borrowings	11	4,435.65	6,539.66
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		619.39	645.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		25,802.60	28,544.45
Other financial liabilities	14	9,436.09	3,585.99
Other current liabilities	15	20,965.80	8,873.57
Provisions	16	567.41	490.23
Current tax liabilities (net)	17	29.12	35.40
Total current liabilities		**61,856.06**	**48,714.43**
Total liabilities		**83,564.13**	**53,036.29**
TOTAL EQUITY AND LIABILITIES		**2,54,378.41**	**2,05,223.61**
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Standalone Statement of Profit & Loss

For the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	Year ended 31-03-2020	Year ended 31-03-2019
INCOME			
Revenue from operations	18	2,58,313.95	2,75,490.32
Other income	19	6,183.64	4,122.64
Total income		**2,64,497.59**	**2,79,612.96**
EXPENSES			
Cost of raw materials and components consumed	20	1,75,017.97	1,93,729.13
Changes in inventories of finished goods and work-in-progress	21	(5,387.33)	(3,326.03)
Employee benefits expenses	22	14,481.18	12,908.96
Finance costs	23	2,096.27	1,476.73
Depreciation and amortisation expenses	3	5,850.77	6,242.39
Other expenses	24	31,808.51	31,525.95
Total expenses		**2,23,867.37**	**2,42,557.13**
Profit before tax		**40,630.22**	**37,055.83**
TAX EXPENSE			
Current tax	12	10,498.30	13,154.22
Excess provision for current tax of earlier years		(41.59)	(948.93)
Deferred tax	12	(576.17)	(442.67)
Total tax expense		**9,880.54**	**11,762.62**
Net profit for the year		**30,749.68**	**25,293.21**
Other comprehensive income / (loss)			
a) Items that will not be reclassified to profit and loss in subsequent periods			
Re-measurement gain / (loss) on defined benefit plans	12	(223.78)	(80.22)
Income tax effect		56.32	28.03
		(167.46)	**(52.19)**
b) Items that will be reclassified to profit and loss in subsequent periods			
Net movement in cash flow hedge reserve		(71.98)	(730.80)
Income tax effect		(53.33)	255.37
		(125.31)	**(475.43)**
Total other comprehensive income / (loss) for the year, net of tax		**(292.77)**	**(527.62)**
Total comprehensive income for the year, net of tax		**30,456.91**	**24,765.59**
Earnings per equity share [nominal value per share ₹ 2/- (31st March, 2019: ₹ 2/-)]	31		
Basic & Diluted		65.81	54.13
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Standalone Statement of Change in Equity

For the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. in Lakhs	₹ in Lakhs
As at 1st April, 2018	467.28	934.56
Issue of Equity Share Capital	-	-
As at 31st March, 2019	467.28	934.56
Issue of Equity Share Capital	-	-
As at 31st March, 2020	**467.28**	**934.56**

B. OTHER EQUITY (REFER NOTE-10)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Cash Flow Hedge Reserve	Total Other Equity
	Securities Premium	Capital Reserve	Amalgamation Reserve	General Reserve	Retained Earnings		
As at 1st April, 2018	2,279.06	490.04	392.11	72,625.16	54,080.78	-	1,29,867.15
Profit for the year	-	-	-	-	25,293.21	-	25,293.21
Other Comprehensive Income :							
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(52.19)	-	(52.19)
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(475.43)	(475.43)
Total Comprehensive Income	-	-	-	-	25,241.02	(475.43)	24,765.59
Dividend paid (refer note-10)	-	-	-	-	(2,803.68)	-	(2,803.68)
Dividend Distribution Tax (refer note-10)	-	-	-	-	(576.30)	-	(576.30)
As at 31st March, 2019	2,279.06	490.04	392.11	72,625.16	75,941.82	(475.43)	1,51,252.76
Profit for the year	-	-	-	-	30,749.68	-	30,749.68
Other Comprehensive Income :							
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(167.46)	-	(167.46)
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(125.31)	(125.31)
Total Comprehensive Income	-	-	-	-	30,582.22	(125.31)	30,456.91
Dividend paid (refer note-10)	-	-	-	-	(9,812.88)	-	(9,812.88)
Dividend Distribution Tax (refer note-10)	-	-	-	-	(2,017.07)	-	(2,017.07)
As at 31st March, 2020	**2,279.06**	**490.04**	**392.11**	**72,625.16**	**94,694.09**	**(600.74)**	**1,69,879.72**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Standalone Statement of Cash Flow

For the Year Ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	40,630.22	37,055.83
Adjustments to reconcile profit before tax to net cash flows:		
(Gain)/Loss on Sale/Discard of property, plant and equipment and Capital Work-in-Progress (net)	(1.81)	2.78
Depreciation and amortisation expense	5,850.77	6,242.39
Dividend Income	(5.36)	(265.04)
Interest income and fair value changes in financial instruments	(2,627.25)	(570.45)
Unrealised Foreign Exchange Loss/(Gain)	139.33	(524.26)
Provision for doubtful debts (net)	38.80	23.70
Excess provision/liabilities no longer payable written back	(446.28)	(143.95)
Interest expense	1,561.71	944.94
Operating Profit before working capital changes	**45,140.13**	**42,765.94**
Working capital adjustments:		
Decrease in trade receivables	9,734.33	9,233.09
(Increase) in inventories	(26,918.17)	(1,603.33)
Decrease/(Increase) in loans	8.93	(4.82)
Decrease/(Increase) in other financial assets	44.00	(29.94)
(Increase)/Decrease in other non-financial assets	(5,681.41)	8,339.68
(Decrease) in other assets	(15.00)	-
(Decrease)/Increase in trade payables	(3,362.62)	10,889.03
Increase/(Decrease) in other liabilities	12,520.38	(1,003.18)
Increase in other financial liabilities	834.29	593.44
(Decrease)/Increase in provisions	(146.60)	45.02
Cash generated from operations	**32,158.26**	**69,224.93**
Direct taxes paid (net)	(10,618.75)	(13,869.86)
Net Cash generated from operating activities	**21,539.51**	**55,355.07**
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including CWIP and capital advances)	(29,800.93)	(16,652.94)
Proceeds from sale of property, plant and equipment	12.22	178.27
Sales/(Purchase) of current investments (net)	4,829.66	(20,313.24)
Investment in Bank Deposit	(12,732.23)	-
Dividend income	5.36	265.04
Interest income	2,005.59	515.07
Net Cash used in investing activities	**(35,680.33)**	**(36,007.80)**

Standalone Statement of Cash Flow

For the Year Ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from long term borrowings	19,983.54	-
Repayment of short term borrowings (net)	(2,104.01)	(1,293.59)
Dividend paid	(9,812.88)	(2,803.68)
Dividend distribution tax on dividend	(2,017.07)	(576.30)
Payment of principal portion of lease liabilities	(50.57)	-
Interest paid (Including Interest Payment on lease liabilities)	(1,318.38)	(953.83)
Net Cash generated/(used in) from financing activities	**4,680.63**	**(5,627.40)**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(9,460.19)**	**13,719.87**
Effect of Exchange difference on Cash and Cash equivalents held in foreign currency	(110.77)	(11.64)
Cash and Cash Equivalents at the beginning of the year	14,164.74	456.51
Cash and Cash Equivalents at the end of the year (refer note-7 (a))	**4,593.78**	**14,164.74**

Notes:

a) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

b) Disclosure of change in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Cash flows	Foreign exchange movement	Changes in Fair Value	Other Changes#	As at 31st March, 2019
Short term borrowings	7,891.38	(1,293.59)	(58.13)	-	-	6,539.66
Interest	22.35	(953.83)	-	-	944.94	13.46
Total	7,913.73	(2,247.42)	(58.13)	-	944.94	6,553.12

Particulars	As at 1st April, 2019	Cash flows	Foreign exchange movement	Changes in Fair Value	Other Changes#	As at 31st March, 2020
Long term borrowings	-	19,983.54	734.42	-	-	20,717.96
Short term borrowings	6,539.66	(2,104.01)	-	-	-	4,435.65
Interest	13.46	(1,318.38)	-	-	1,538.50	233.58
Lease liabilities	-	(50.57)	-	1,141.93	-	1,091.36
Total	**6,553.12**	**16,510.58**	**734.42**	**1,141.93**	**1,538.50**	**26,478.55**

Other changes in interest accrued represents accrual of Interest during the year.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Notes to Standalone Financial Statements

For the Year Ended 31st March, 2020

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, applicable in India. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at 17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of stainless steel pipes and tubes and carbon steel pipes at Kutch, Indrad and Chhatral in the state of Gujarat. The Company caters to both domestic and international markets.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 16th June 2020.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements of the Company.

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

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

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

b. FOREIGN CURRENCIES:

The Company's financial statements are presented in ₹, which is also the Company's functional currency. The Company determines the functional currency and items included in the financial statements are measured using that functional currency.

Transactions and balances

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

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

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

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

c. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such and unquoted financial assets. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

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

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions (refer note 33 and 34)
- Quantitative disclosures of fair value measurement hierarchy (refer note 33.2)
- Financial instruments (including those carried at amortised cost) (refer note 33.1)

d. PROPERTY, PLANT AND EQUIPMENT (PPE):

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

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

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

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

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

(i) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.

(ii) Furnace and X-ray machines are depreciated at an annual rate of 20% to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Company.

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

e. INTANGIBLE ASSETS:

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

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

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

f. BORROWING COSTS:

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

g. IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

h. LEASES:

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

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

Company as a lessee:

I. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Estimated Useful Life
Right-of-use of office premises and leasehold land	Over the balance period of lease agreement

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

II. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

III. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment, offices and windmills (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value amounting to ₹ 2 lakhs. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

IV. Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for lease previously classified as finance leases, i.e. the right to use of assets and lease liabilities equal to the lease assets and liabilities recognised under Ind AS 17. The requirements of Ind AS 116 was applied to those leases from 1st April, 2019.

i. FINANCIAL INSTRUMENTS:

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

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.1(k) Revenue from contracts with customers.

Subsequent measurement

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

- Financial assets instruments at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)

Financial assets at amortised cost (debt instruments)

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial Assets at FVTOCI

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

Financial Assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and investments in equity instruments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Equity investments

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

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see note 2.2
- Financial Assets at FVTPL – see note 2.1 (i)
- Trade receivables and contract assets – see note 6 and 2.1(k)

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

The Company considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

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

Financial liabilities & Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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

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

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

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

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Financial guarantee contracts

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

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

j. INVENTORIES:

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

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

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

k. REVENUE:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

i) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days upon delivery, usually backed by financial arrangements in some cases.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of liquidated damages. The liquidated damages give rise to variable consideration.

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less

ii) The Company accounts for pro forma credits, refunds of duty of customs 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 as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

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

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

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities (Advance from customers)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities (advance from customers) are recognised as revenue when the Company performs under the contract.

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

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

In respect of gratuity liability, the Company operates defined benefit plan wherein contributions are made to a separately administered fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each reporting date being carried out using the projected unit credit method.

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

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

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

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

m. TAXES:

Tax expense comprises of current income tax and deferred tax.

Current income tax:

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

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

Deferred Tax:

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

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

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

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

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

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

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

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

n. PROVISIONS:

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

o. DERIVATIVE FINANCIAL INSTRUMENTS:

Initial recognition and subsequent measurement

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Company uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

p. EARNINGS PER SHARE:

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

q. CASH AND CASH EQUIVALENT:

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

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

r. CASH DIVIDEND:

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

Notes to Standalone Financial Statements For the year ended 31st March, 2020 (Contd.)

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue from contracts with customers

The Company applied the following judgement that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint.

Certain contracts with customers include Liquidated Damages that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which customer will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from contract with customer. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customers. Before adjusting any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Estimates and assumptions

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

Taxes

Pursuant to the Taxation Laws (Amendment) Ordinance 2019 issued by Ministry of Law and Justice (Legislative Department) dated September 20, 2019 effective from April 01, 2019, the Company has opted to avail lower tax rates of 22% (without any tax benefits) instead of existing tax rate of 30%.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

Further details about gratuity obligations are given in note 25.

Useful Life of Property, Plant & Equipment and Intangible assets

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 33 and 34 for further disclosures.

2.3 NEW STANDARDS, APPENDICES TO IND AS AND AMENDMENTS ADOPTED BY THE COMPANY

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2019, except for the adoption of new standards effective as of April 1, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company applies, for the first time, Ind AS 116 Leases using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statements of the Company.

Several other amendments and interpretations apply for the first time in April 1, 2019, but do not have an impact on the financial statements of the Company.

a. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 "Leases". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts, identified under Ind AS 17, existing on 1st April, 2019 using the modified retrospective method on the date of initial application.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

Pursuant to adoption of Ind AS 116, the Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases amount and leases of low-value assets amounting to ₹ 2 lakhs. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/

accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the Lease

Amount recognised in the Balance Sheet and statement of Profit and Loss:

i. Set out below, are the carrying amounts of the Company's right-to-use assets and lease liabilities and the movements during the period:

(₹ in lakhs)

Particulars	ROU Assets		Lease Liabilities
	Leasehold Land	Office Premises	
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)	42.57	64.91	81.28
Additions during the year	-	1,102.51	1,060.65
Finance Costs incurred during the year	-	-	57.83
Depreciation and Amortisation Expenses	3.08	87.52	-
Payments of lease liabilities	-	-	(108.40)
As at 31st March, 2020	**39.49**	**1,079.90**	**1,091.36**

ii. Set out below, are the amount recognised in Statement of Profit and Loss:

(₹ in lakhs)

Particulars	Year Ended 31-03-2020
Depreciation and Amortisation Expenses	90.60
Interest expenses on lease liabilities	57.83
Expense relating to short-term leases	250.86
Total	**399.29**

iii. Impact on the Statement of Cash Flows (increase / (decrease)) for year ended 31st March, 2020

(₹ in lakhs)

Particulars	Year Ended 31-03-2020
Net cash flows from operating activities	108.40
Net cash flows from financing activities	(108.40)

b. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Upon adoption of the Appendix C to Ind AS 12, the Company evaluated whether it has any uncertain tax positions which requires adjustments to provision for current tax. The Company has no ongoing disputes with Income Tax Authorities, however in respect of certain allowance/deductions, it is probable that such positions will not be accepted by Tax authorities on Tax assessments and hence the same have been considered and adequately provided for while calculating current tax provision of the respective years. Adoption of this appendix has not resulted any impact on the financial statements of the Company.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

(a) Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Leasehold land	Right of Use (refer note 2.3 (a)(i))		Freehold land	Buildings	Plant & Machinery	Furniture & fixture	Vehicles	Office equipment	Total
		Leasehold land	Office Premises							
Cost										
As at 1st April, 2018	27.60	-	-	2,999.14	10,445.34	45,479.90	431.69	1,695.99	348.15	61,427.81
Additions	-	-	-	1,558.21	539.59	3,327.84	10.22	216.20	234.27	5,886.33
Disposals	-	-	-	125.16	83.08	22.08	-	157.76	1.18	389.26
As at 31st March, 2019	27.60	-	-	4,432.19	10,901.85	48,785.66	441.91	1,754.43	581.24	66,924.88
Recognition on initial application of Ind AS 116	-	42.57	64.91	-	-	-	-	-	-	107.48
Transfer on account of impact of IND AS 116	27.60	-	-	-	-	-	-	-	-	27.60
Additions	-	-	1,102.51	1.70	1,117.92	8,399.96	415.10	534.33	178.15	11,749.67
Disposals	-	-	-	-	-	-	-	65.00	0.62	65.62
As at 31st March, 2020	**-**	**42.57**	**1,167.42**	**4,433.89**	**12,019.77**	**57,185.62**	**857.01**	**2,223.76**	**758.77**	**78,688.81**
Depreciation/Amortization and Impairment										
As at 1st April, 2018	1.05	-	-	-	1,191.30	15,005.32	235.43	359.22	183.79	16,976.11
Depreciation/Amortization for the year	0.35	-	-	-	434.91	5,413.56	43.00	251.23	81.51	6,224.56
Disposals	-	-	-	-	77.60	20.11	-	109.86	0.64	208.21
As at 31st March, 2019	1.40	-	-	-	1,548.61	20,398.77	278.43	500.59	264.66	22,992.46
Depreciation/Amortization for the year	-	3.08	87.52	-	442.85	4,908.65	31.35	266.82	98.92	5,839.19
Transfer on account of impact of IND AS 116	1.40	-	-	-	-	-	-	-	-	1.40
Disposals	-	-	-	-	-	-	-	55.07	0.14	55.21
As at 31st March, 2020	**-**	**3.08**	**87.52**	**-**	**1,991.46**	**25,307.42**	**309.78**	**712.34**	**363.44**	**28,775.04**
Net Block										
As at 31st March, 2020	**-**	**39.49**	**1,079.90**	**4,433.89**	**10,028.31**	**31,878.20**	**547.23**	**1,511.42**	**395.33**	**49,913.77**
As at 31st March, 2019	26.20	-	-	4,432.19	9,353.24	28,386.89	163.48	1,253.84	316.58	43,932.42

i) Buildings includes ₹ 47.80 Lakhs (31st March, 2019 ₹ 47.80 Lakhs) representing cost of unquoted fully paid shares held in co-operative housing societies.

(b) Intangible Assets

(₹ in Lakhs)

Particulars	Software
Cost	
As at 1st April, 2018	221.45
Additions	1.33
As at 31st March, 2019	222.78
Additions	19.61
As at 31st March, 2020	**242.39**
Amortisation and Impairment	
As at 1st April, 2018	135.36
Amortisation for the year	17.83
As at 31st March, 2019	153.19
Amortisation for the year	11.58
As at 31st March, 2020	**164.77**
Net Block	
As at 31st March, 2020	**77.62**
As at 31st March, 2019	69.59

(c) Capital work-in-progress

(₹ in Lakhs)

Particulars	Amount
As at 31st March, 2020	**37,146.02**
As at 31st March, 2019	17,859.81

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

4. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Investments		
Trade Investments (at Cost)		
Investment in unquoted Equity Shares of Subsidiary Company		
10,000 (31st March, 2019-10,000) Equity Shares of USD 1 each fully paid-up in Ratnamani Inc., USA	6.08	6.08
Non-Trade Investments		
Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
Nil (31st March, 2019:37,19,748.502) Units of ICICI Prudential Liquid Fund - Direct Plan - Daily Dividend	-	3,725.24
Nil (31st March, 2019:4,04,492.603) Units of Axis Liquid Fund - Direct Daily Dividend - CFDR	-	4,048.79
Nil (31st March, 2019:3,61,373.962) Units of Kotak Liquid Direct Plan Daily Dividend	-	4,420.63
Nil (31st March, 2019:8,09,234.359) units of SBI Liquid Fund Direct Daily Dividend	-	8,118.64
91,769.397 (31st March, 2019:Nil) units of SBI Magnum Ultra Short Duration Fund Direct Growth	4,110.94	-
2,39,882.461 (31st March, 2019:Nil) units of SBI Overnight Fund Direct Growth	7,805.10	-
1,53,434.938 (31st March, 2019:Nil) units of Axis Treasury Advantage Fund - Direct Growth - TADG	3,567.60	-
	15,489.72	**20,319.38**
Current	15,483.64	20,313.30
Non-Current	6.08	6.08
	15,489.72	**20,319.38**
Aggregate value of Unquoted Investments	6.08	6.08
Aggregate book value of Quoted Mutual Funds	15,483.64	20,313.30
	15,489.72	**20,319.38**
Aggregate market value of Quoted Mutual Funds (refer note-33)	15,483.64	20,313.30
Loans (Unsecured, Considered Good)		
Loans to employees	39.50	48.43
	39.50	**48.43**
Current	26.00	27.73
Non-Current	13.50	20.70
	39.50	**48.43**
Other Financial Assets		
Interest accrued	689.83	68.17
Security deposits	441.53	458.52
Derivative instruments at fair value through profit or loss		
(Derivatives not designated as hedges)		
Foreign exchange forward contracts	19.90	-
Wind-Mill surplus receivable	100.63	114.92
Others	-	32.62
	1,251.89	**674.23**
Current	1,133.95	593.36
Non-Current	117.94	80.87
	1,251.89	**674.23**

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

Fair value disclosures for financial assets and liabilities (refer note-33.1)

Fair value hierarchy disclosures for investment (refer note-33.2)

For Financial instruments risk management objectives and policies (refer note-34)

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

5. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Raw materials		
Raw materials and components	43,375.27	26,742.94
Raw materials in transit	7,612.55	3,208.63
Work-in-progress	27,977.34	19,903.94
Finished goods		
Finished goods	2,391.89	3,308.14
Finished goods in transit	690.76	2,460.58
Stores and spares	3,873.29	3,378.70
	85,921.10	**59,002.93**

6. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Secured, considered good	6,351.60	13,084.48
Unsecured, considered good	30,666.74	33,122.39
Trade receivables which have significant increase in credit Risk	-	-
Trade receivables - credit impaired	224.67	209.65
Total	**37,243.01**	**46,416.52**
Less:		
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	224.67	209.65
Total trade receivables	**37,018.34**	**46,206.87**
Above includes :		
Receivables from related parties, unsecured, considered good (refer note-30)	50.95	95.32

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Refer note 34 (b) for credit risk evaluation.

Following is the movement of allowance for expected credit losses of trade receivables: (₹ in Lakhs)

Particulars	31-03-2020	31-03-2019
As at April 1	209.65	213.73
Provision for expected credit losses (refer note-24)	15.02	(4.08)
As at March 31	224.67	209.65

7. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
(a) Cash and Cash Equivalents		
Balances with Banks		
In Current accounts	4,443.41	4,829.31
Deposits with original maturity of three months or less	-	9,200.00
Unpaid dividend accounts	133.08	120.24
Cash on hand	17.29	15.19
	4,593.78	**14,164.74**
(b) Other balances with banks		
Deposits with original maturity of more than three months but less than twelve months	12,732.23	-
	17,326.01	**14,164.74**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day to three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Deposits aggregating to ₹ 4,998.00 Lakhs are pledged / lien against bank overdraft facility.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

8. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Capital advances	2,323.60	959.65
Investment in silver	0.84	0.84
Prepaid expense	305.74	184.09
Advance receivable in cash or kind		
Advance for material	2,437.92	615.92
Excise / GST claim receivables	765.44	228.09
Duty entitlement pass book / Import licenses	34.60	71.53
Balances with Government Authorities	3,546.93	305.79
Export benefits receivable	31.03	8.26
Others	20.50	32.07
	6,836.42	**1,261.66**
	9,466.60	**2,406.24**
Non-Current tax assets (net)	727.84	538.97
	10,194.44	**2,945.21**
Current	7,107.16	1,425.75
Non-Current	3,087.28	1,519.46
	10,194.44	**2,945.21**

9. SHARE CAPITAL

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. in Lakhs	₹ in Lakhs	No. in Lakhs	₹ in Lakhs
Authorised Share Capital	750.00	1,500.00	750.00	1,500.00
Increase/(decrease) during the year	-	-	-	-
	750.00	**1,500.00**	**750.00**	**1,500.00**

Terms/Rights attached to Equity Shares

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

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.

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. in Lakhs	₹ in Lakhs	No. in Lakhs	₹ in Lakhs
Issued Share Capital				
Equity shares of ₹ 2 each issued, subscribed and fully paid	467.28	934.56	467.28	934.56
Increase/(decrease) during the year	-	-	-	-
	467.28	**934.56**	**467.28**	**934.56**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

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

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% held	No. of Shares	% held
Prakash M. Sanghvi	72,18,385	15.45%	71,86,385	15.38%
Jayanti M. Sanghvi	39,11,025	8.37%	39,11,025	8.37%
Nalanda India Fund Limited	28,50,155	6.10%	28,50,155	6.10%
L&T Mutual Fund Trustee Limited	25,78,003	5.52%	-	-

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

10. OTHER EQUITY

(₹ in Lakhs)

Particulars		As at 31-03-2020	As at 31-03-2019
a)	**Securities Premium**		
	Opening balance	2,279.06	2,279.06
	Increase/(decrease) during the year	-	-
		2,279.06	**2,279.06**
	Securities premium is used to record the premium on issue of shares. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.		
	OTHER RESERVES		
b)	**Capital Reserve**		
	Opening balance	490.04	490.04
	Increase/(decrease) during the year	-	-
		490.04	**490.04**
	Capital reserve is mainly used to record the reserves created on receipt of state/central subsidies and amounts forfeited towards the forfeiture of Equity warrants issued. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.		
c)	**Amalgamation Reserve**		
	Opening balance	392.11	392.11
	Increase/(decrease) during the year	-	-
		392.11	**392.11**
	Amalgamation reserve is used to record the reserves created on amalgamation of Ratnamani Engineering Ltd. and Ratnamani Fine Tubes Pvt. Ltd. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.		
d)	**General Reserve**		
	Opening balance	72,625.16	72,625.16
	Increase/(decrease) during the year	-	-
		72,625.16	**72,625.16**
	Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.		

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

(₹ in Lakhs)

Particulars		As at 31-03-2020	As at 31-03-2019
	Other Comprehensive Income		
e)	**Cash flow hedge reserve**		
	Opening balance	(475.43)	-
	Net movement during the year	(125.31)	(475.43)
		(600.74)	**(475.43)**
	The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, currency swaps, and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.		
f)	**Retained Earnings**		
	Opening balance	75,941.82	54,080.78
	Profit for the year	30,749.68	25,293.21
	Other Comprehensive Income		
	Re-measurement gain on defined benefit plans (net of tax)	(167.46)	(52.19)
	Dividend paid	(9,812.88)	(2,803.68)
	Dividend Distribution Tax	(2,017.07)	(576.30)
		94,694.09	**75,941.82**
	Total Other Equity (a+b+c+d+e+f)	**1,69,879.72**	**1,51,252.76**

(₹ in Lakhs)

Distribution made and proposed	As at 31-03-2020	As at 31-03-2019
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31st March, 2019: ₹ 9.00 per share (for the year ended 31st March, 2018: ₹ 6.00 per share)	4,205.52	2,803.68
Dividend distribution tax	864.46	576.30
	5,069.98	**3,379.98**
Interim dividend for the year ended 31st March, 2020: ₹ 12.00 per share (for the year ended 31st March, 2019: ₹ Nil per share)	5,607.36	-
Dividend distribution tax	1,152.61	-
	6,759.97	**-**
Proposed dividend on equity shares		
Final Dividend for the year ended 31st March, 2020: ₹ Nil per share (for the year ended 31st March, 2019: ₹ 9.00 per share)	-	4,205.52
Dividend distribution tax	-	864.46
	-	**5,069.98**

Proposed dividends on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

11. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Long term Borrowing (refer note-a)		
External (Foreign) Commercial Borrowings (Secured)	15,717.96	-
Less:- Current maturity grouped as other current financial liability (refer note 14)	2,947.12	-
	12,770.84	**-**
Term Loan (Secured)	5,000.00	-
Less:- Current maturity grouped as other current financial liability (refer note 14)	208.33	-
	4,791.67	**-**
	17,562.51	**-**
Short term Borrowings		
Bank Overdrafts (Secured) (refer note-b)	4,435.65	-
Buyer's Credits in Foreign Currencies (Unsecured)	-	5,039.66
Short Term Loan From Banks (Unsecured)	-	1,500.00
	4,435.65	**6,539.66**
Total Borrowings	**21,998.16**	**6,539.66**
Current	4,435.65	6,539.66
Non-Current	17,562.51	-
	21,998.16	**6,539.66**

a) Long Term Borrowings are secured by - i) a first pari passu charge on entire manufacturing movable fixed assets; ii) a first pari passu mortgage and charge on immovable properties situated at Indrad, Kadi and Anjar, Kutch all in the State of Gujarat; iii) a second pari passu charge on entire current assets in the form of inventories, book-debts and all other movable assets.

External (Foreign) Commercial Borrowing of ₹ 15,717.96 Lakhs (31st March, 2019 ₹ Nil) carry interest @ 3M Libor plus 100 basis point. The loan is repayable in 16 quarterly instalments between July 29, 2020 till April 29, 2024.

Term Loan of ₹ 5,000.00 Lakhs (31st March, 2019 ₹ Nil) carry interest @ 3M MCLR plus 15 basis point. The loan is repayable in 24 equal quarterly instalments between 31st March, 2021 till 31st December, 2026.

b) The bank overdrafts are secured by a portion of the Company's term deposits which carry interest in the range of 7.95% p.a to 8.45% p.a. The borrowings are payable on demand.

c) At 31st March, 2020, the Company has available fund based working capital limits from consortium banks and term loan aggregating to ₹ 24,900.00 Lakhs (31st March, 2019: ₹ 34,100.00 Lakhs) of undrawn committed borrowing facilities.

12. INCOME TAX

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
The major component of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are :		
Statement of Profit and Loss		
Current tax		
Current income tax	10,498.30	13,154.22
Excess provision for current tax of earlier years	(41.59)	(948.93)
Deferred tax		
Deferred tax expense	(576.17)	(442.67)
Income tax expense reported in the Statement of Profit and Loss	**9,880.54**	**11,762.62**
OCI Section		
Other comprehensive income (OCI)		
Tax related to items recognised in OCI during the year		
Re-measurement gain on defined benefit plans	56.32	28.03
Net movement in cash flow hedge reserve	(53.33)	255.37
Tax credited to OCI	**2.99**	**283.40**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

a) **Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31st March, 2020 and 31st March, 2019:**

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Accounting Profit before tax	40,630.22	37,055.83
Enacted income tax rate in India applicable to the Company	25.168%	34.944%
Tax using the Company's domestic tax rate	10,225.81	12,948.79
Tax effects of :		
Exempt Income	(1.35)	(92.62)
Deduction under chapter VIA	-	(555.61)
Non-deductible expenses	176.76	309.46
Excess provision for current tax of earlier years	(41.59)	(948.93)
Others	(479.09)	101.53
At the effective income tax rate of 31st March, 2020: 24.32% (31st March, 2019: 31.74%)	**9,880.54**	**11,762.62**

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year and re-measured its deferred tax liabilities (net) basis the rate prescribed in the said section. Accordingly, deferred tax liabilities have reduced by ₹ 1,394.03 Lakhs and the tax charge for the year have decreased by ₹ 3,135.11 Lakhs.

b) **Movement in deferred tax liabilities (net) for the year ended 31st March, 2020**

(₹ in Lakhs)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	4,177.76	(586.85)	-	3,590.91
Accrued Income taxable on realisation	-	96.55	-	96.55
	4,177.76	**(490.30)**	**-**	**3,687.46**
Tax effect of items constituting deferred tax assets:				
Expenses allowed in year of payment	(327.22)	(89.98)	-	(417.20)
Revaluation of cash flow hedges	(255.37)	-	53.33	(202.04)
Other adjustments	(4.11)	4.11	-	-
	(586.70)	**(85.87)**	**53.33**	**(619.24)**
Net deferred tax liabilities	**3,591.06**	**(576.17)**	**53.33**	**3,068.22**

Movement in deferred tax liabilities (net) for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Opening Balance as at 1st April, 2018	Recognised in consolidated profit and loss	Recognised in other comprehensive income	Closing Balance as at 31st March, 2019
Tax effect of items constituting deferred tax liabilities :				
Accelerated depreciation for tax purposes	4,516.90	(339.14)	-	4,177.76
	4,516.90	**(339.14)**	**-**	**4,177.76**
Tax effect of items constituting deferred tax assets :				
Expenses allowed in year of payment	(223.69)	(103.53)	-	(327.22)
Revaluation of cash flow hedges	-	-	(255.37)	(255.37)
Other adjustments	(4.11)	-	-	(4.11)
	(227.80)	**(103.53)**	**(255.37)**	**(586.70)**
Net deferred tax liabilities	**4,289.10**	**(442.67)**	**(255.37)**	**3,591.06**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

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

During the year ended 31st March, 2020 and 31st March, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence, dividend distribution tax paid is charged to equity.

13. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Total outstanding dues of micro enterprises and small enterprises	619.39	645.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,802.60	28,544.45
	26,421.99	**29,189.58**
Above includes:		
Payable to related parties	3,164.85	2,529.80

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development (MSMED) as at 31st March, 2020. The disclosure pursuant to the said Act is as under:

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
i) Amounts remaining unpaid as at year end towards		
Principal	619.39	645.13
Interest	37.56	2.83
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	37.56	2.83
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

14. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Financial liabilities at fair value through OCI		
Cash flow hedges		
Currency and interest rate swaps	68.36	730.80
Financial liabilities at fair value through profit or loss		
(Derivatives not designated as hedges)		
Foreign exchange forward contracts	-	429.44
Other financial liabilities at amortised cost		
Current maturity of Long Term Borrowings (refer note 11)	3,155.45	-
Interest Accrued but not due	233.58	13.46
Payables in respect of capital goods	5,568.11	2,868.32
Unpaid dividend#	133.08	120.24
Lease liabilities	1,091.36	-
Other miscellaneous liabilities	263.49	154.53
	10,513.43	**4,316.79**
Current	9,436.09	3,585.99
Non-Current	1,077.34	730.80
	10,513.43	**4,316.79**

not due for credit to "Investors Education and Protection Fund"

Fair value disclosures for financial liabilities (refer note 33.1)

15. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Contract liability (Advance from customers)	16,518.00	7,362.88
Statutory dues payable	805.05	1,199.72
Other miscellaneous liabilities	3,642.75	310.97
	20,965.80	**8,873.57**

16. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
Compensated absences	289.48	273.83
Gratuity (refer note-25)	277.93	216.40
	567.41	**490.23**
Current	567.41	490.23
Non-Current	-	-
	567.41	**490.23**

17. CURRENT TAX LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Income tax (net of advance tax)	29.12	35.40
	29.12	**35.40**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

18 REVENUE FROM CONTRACTS WITH CUSTOMERS

18.1 Disaggregated revenue information

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Type of goods or service		
Sale of Steel Tubes and Pipes	2,52,216.91	2,69,691.79
Sale of Power generated from Windmills	643.51	686.13
Sale of services	2,424.19	3,102.72
Revenue from contracts with customers	2,55,284.61	2,73,480.64
Other operating revenue	3,029.34	2,009.68
Total revenue from operations	**2,58,313.95**	**2,75,490.32**
Sales of Steel Tubes and Pipes		
In India	2,01,464.42	2,13,651.04
Outside India	50,752.49	56,040.75
	2,52,216.91	**2,69,691.79**
Sale of Power generated from Windmills		
In India	643.51	686.13
Sale of Services		
In India	2,424.19	3,102.72
Total Revenue from contracts with customers	**2,55,284.61**	**2,73,480.64**
Timing of revenue recognition		
Goods and services transferred at a point in time	2,55,284.61	2,73,480.64
Total Revenue from contracts with customers	**2,55,284.61**	**2,73,480.64**

18.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Trade receivables	37,018.34	46,206.87
Contract liabilities (Advance from customers)	16,518.00	7,362.88

In March, 2020, ₹ 21.88 Lakhs (March, 2019: ₹ 23.70 Lakhs) was recognised as provision for expected credit losses on trade receivables.

Contract liabilities (Advance from customers) include short-term advances received from customers against supply of Steel Tubes & Pipes. The outstanding balances of these accounts increased in 2019-20 due to performance obligations to be satisfied in upcoming years.

Set out below is the amount of revenue recognised from :-

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Amounts included in Contract liabilities (Advance from customers) at the beginning of the year	7,113.74	8,202.23

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

18.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Revenue as per contracted price (net of taxes)	2,59,119.26	2,76,255.68
Adjustments :-		
Provision for late deliveries, sales return etc.	(3,834.65)	(2,775.04)
Revenue from contract with customers	2,55,284.61	2,73,480.64

18.4 Performance obligation

Information about the Company's performance obligations are summarised below:

Steel tubes and pipes

The performance obligation is satisfied upon delivery of the goods and control thereof is assumed by the customers and payment gets due as contractually agreed, generally ranging within 0 to 180 days from delivery, backed up by financials arrangements in certain cases.

Power generated from windmills

The performance obligation from windmills is recognised on unit generation basis, in accordance with the terms of power purchase agreements.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2020 are as follows:

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Within one year	1,37,315.68	1,46,576.52
More than one year	1,297.24	-
	1,38,612.92	**1,46,576.52**

19. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Interest income on		
Bank deposits	922.06	62.22
Others	511.38	507.42
Other non-operating income		
Fair value gain on financial instruments at fair value through profit and loss	1,193.81	0.81
Profit on Sale/Discard of property, plant and equipment (net)	1.81	-
Excess provision/liabilities no longer payable written back	446.28	143.95
Dividend income on current investments	5.36	265.04
Foreign exchange fluctuation (net)	2,823.93	2,804.92
Miscellaneous income	279.01	338.28
	6,183.64	**4,122.64**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Opening inventory	29,951.57	32,596.79
Add: Purchases	1,96,054.22	1,91,083.91
	2,26,005.79	**2,23,680.70**
Less: Closing inventory	50,987.82	29,951.57
Cost of raw materials and components consumed	**1,75,017.97**	**1,93,729.13**

21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Inventories at the end of the year		
Work in process	27,977.34	19,903.94
Finished goods	3,082.65	5,768.72
	31,059.99	**25,672.66**
Inventories at the beginning of the year		
Work in process	19,903.94	21,099.70
Finished goods	5,768.72	1,246.93
	25,672.66	**22,346.63**
(Increase)/Decrease In Inventory		
Work in process	(8,073.40)	1,195.76
Finished goods	2,686.07	(4,521.79)
	(5,387.33)	**(3,326.03)**

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Salaries, wages and bonus	12,692.48	11,247.96
Contribution to provident and other funds (refer note-25)	670.89	655.18
Gratuity expense (refer note-25)	188.55	169.57
Staff welfare expenses	929.26	836.25
	14,481.18	**12,908.96**

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Interest on debts and borrowings	1,445.94	666.49
Interest on income tax	23.21	103.93
Interest on lease liabilities	57.83	-
Interest others	34.73	174.52
Bank charges	534.56	531.79
	2,096.27	**1,476.73**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

24. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Consumption of stores & spares	7,456.89	6,551.05
Freight & transport charges	10,171.53	11,800.88
Power & fuel	3,987.51	4,021.03
Labour & processing charges	3,613.23	3,849.08
Repairs and maintenance:		
Plant and machineries	775.10	812.22
Buildings	125.40	162.77
Others	62.21	62.03
Testing and inspection charges	224.09	145.29
Legal & consultancy charges	886.50	392.64
Traveling & conveyance expenses	567.66	517.74
Insurance	485.49	387.32
Rent	-	190.53
Expense relating to short-term leases (refer note-26 a)	250.86	-
Rates & taxes	305.17	397.09
Joint auditors' remuneration (refer note-a)	45.55	44.32
Advertisement & other expenses	188.28	108.54
Sales commission	345.36	252.25
Loss on Sale/Discard of property, plant and equipment (net)	-	2.78
Provision for doubtful debts/Expected credit loss for trade receivables	38.80	23.70
Bad debts written off	23.78	27.78
Provision for doubtful debts utilised	(23.78)	(27.78)
Charity and donations (refer note-b)	369.66	242.31
Directors' sitting fees	20.80	11.49
Miscellaneous expenses (refer note-b)	1,888.42	1,550.89
	31,808.51	**31,525.95**
a) Payments to Joint Auditors		
As Auditor:		
Audit Fee	27.45	27.45
Limited Review	13.50	13.50
	40.95	**40.95**
In other capacity:		
Certification	1.83	1.90
Reimbursement of expenses	2.77	1.47
	4.60	**3.37**
	45.55	**44.32**
b) Other expenses include ₹ 488.34 Lakhs (P.Y. ₹ 432.66 Lakhs), spent towards various activities relating to Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013, details of which are as under:		
Details of Corporate Social Responsibility :-		
1. Gross amount required to be spent during the year	532.78	442.05
2. Amount spent during the year :-		
i) Construction/acquisition of any asset	160.00	195.00
ii) On purposes other than (i) above	328.34	237.66
	488.34	**432.66**
3. Amount unspent during the year	44.44	9.39
	44.44	**9.39**
	532.78	**442.05**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

25. EMPLOYEE BENEFITS EXPENSES

A. Defined contribution plans:

Amount of ₹ 670.89 Lakhs (31st March, 2019: ₹ 655.18 Lakhs) is recognised as expenses and included in note no. 22 "Employee benefits expense".

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Provident fund	304.37	273.03
Contributory pension scheme	278.39	254.52
Superannuation fund	87.59	127.11
Gujarat labour welfare fund	0.54	0.52
	670.89	**655.18**

B. Defined benefit plans:

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

31st March, 2020: Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	01st April, 2019	Cost charged to Statement of Profit and Loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	31st March, 2020
		Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity											
Defined benefit obligation	2,713.92	171.70	211.41	383.11	(134.41)	-	241.50	(10.11)	231.39	-	3,194.01
Fair value of plan assets	2,497.52	-	194.56	194.56	-	(7.60)	-	-	(7.60)	216.40	2,916.08
Benefit liability	216.40	171.70	16.85	188.55	-	7.60	241.50	(10.11)	223.79	(216.40)	277.93
Total benefit liability	**216.40**	**171.70**	**16.85**	**188.55**	**-**	**7.60**	**241.50**	**(10.11)**	**223.79**	**(216.40)**	**277.93**

31st March, 2019: Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	1st April, 2018	Cost charged to Statement of Profit and Loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	31st March, 2019
		Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity											
Defined benefit obligation	2,369.35	159.76	185.99	345.75	(77.40)	-	12.94	63.28	76.22	-	2,713.92
Fair value of plan assets	2,244.38	-	176.18	176.18	(44.01)	4.00	-	-	4.00	124.97	2,497.52
Benefit liability	124.97	159.76	9.81	169.57	-	(4.00)	12.94	63.28	80.22	(124.97)	216.40
Total benefit liability	**124.97**	**159.76**	**9.81**	**169.57**	**-**	**(4.00)**	**12.94**	**63.28**	**80.22**	**(124.97)**	**216.40**

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

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Insurance funds	2,916.08	2,497.52
(%) of total plan assets	100%	100%

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

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Discount rate	6.84%	7.79%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.84%	7.79%
Employee turnover rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity (increase) / decrease in defined benefit obligation (Impact)

Particulars	Sensitivity level	As at 31-03-2020	As at 31-03-2019
Discount rate	1% increase	(253.20)	(200.07)
	1% decrease	299.44	235.52
Salary increase	1% increase	292.99	232.68
	1% decrease	(252.85)	(201.44)
Employee turnover	1% increase	(26.88)	(5.11)
	1% decrease	30.52	5.66

The followings are the expected future benefit payments for the defined benefit plan :

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Within the next 12 months (next annual reporting period)	658.34	666.58
Between 2 and 5 years	844.76	442.31
Beyond 5 years	5,476.26	5,354.72
Total expected payments	**6,979.36**	**6,463.61**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31-03-2020 Years	As at 31-03-2019 Years
Gratuity	17	17

The followings are the expected contributions to planned assets for the next year: (₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Gratuity	357.67	330.75

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

26. COMMITMENTS AND CONTINGENCIES

a) Leases :-

Operating lease commitments — Company as lessee

The Company has entered into lease contracts for office premises, land, guest house and other properties on lease, with lease terms between one to nine years. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office premises, land and other properties with lease terms of 12 months or less with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

(₹ in Lakhs)

Particulars	Leasehold land	Office premises	Total
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)	42.57	64.91	107.48
Additions during the year	-	1,102.51	1,102.51
Depreciation and Amortisation Expenses	3.08	87.52	90.60
As at 31st March, 2020	**39.49**	**1,079.90**	**1,119.39**

Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

(₹ in Lakhs)

Particulars	Lease Liabilities
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)	81.28
Additions	1,060.65
Finance Costs incurred during the year	57.83
Payments of lease liabilities	(108.40)
As at 31st March, 2020	**1,091.36**
Current	82.38
Non-current	1,008.98

The effective interest rate for lease liabilities is 8.45 %, with maturity between 2021-2026.

The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	Year ended 31-03-2020
Depreciation and Amortisation Expenses	90.60
Interest expense on lease liabilities	57.83
Expense relating to short-term leases	250.86
Total amount recognised in statement of profit or loss	**399.29**

The Company had total cash outflows for leases of ₹ 108.40 Lakhs. The Company also had non-cash additions to right-of-use assets of ₹ 1,209.99 Lakhs and lease liabilities of ₹ 1,141.93 Lakhs.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

b) Contingent Liabilities :-

(₹ in Lakhs)

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
a)	ESI liability (excluding interest leviable, if any)	424.79	398.69
b)	Disputed statutory claims/levies for which		
	the Company has preferred appeal in respect of (excluding interest leviable, if any):		
	- Excise/Custom duty (note-i)	282.13	237.05

Note - (i) Excise/Custom duty demand comprise various demands from the Excise/Custom Authorities for payment of ₹ 282.18 Lakhs (31st March, 2019 ₹ 237.05 Lakhs). The Company has filed appeals against these demands. The Company is confident that the demands are likely to be deleted and accordingly no provision for liability has been recognized in the financial statements.

c) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 8,421.38 Lakhs (31st March, 2019 ₹ 14,375.69 Lakhs).

27. The Company has incurred premium expenses of ₹ 129.63 Lakhs (31st March, 2019 ₹ 139.81 Lakhs) on Key Man Insurance Policy and term plan policy of Chairman and Managing Director, Joint Managing Director and Whole-Time Director, which is included in insurance expenses.

28. During the year ended March 31, 2020 ₹ 903.78 Lakhs (March 31, 2019 ₹ 539.62 Lakhs) was recognised as an expense for inventories carried at net realisable value.

29. SEGMENT INFORMATION

The Company is engaged in manufacturing of Steel Tubes and Pipes. Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision makers to make decisions about resource allocation and performance measurement, the Company has identified "Steel Tubes and Pipes" as only reportable segment in accordance with the requirements of 'Ind AS 108 - Operating Segments'.

Secondary Reportable Segment (Geographical by Customers)

(₹ in Lakhs)

Particulars	In India	Outside India	Total
Segment Revenue			
Year ended 31-03-2020	**2,07,561.46**	**50,752.49**	**2,58,313.95**
Year ended 31-03-2019	**(2,19,449.57)**	**(56,040.75)**	**(2,75,490.32)**
Segment Assets			
As at 31-03-2020	**2,48,063.05**	**6,315.36**	**2,54,378.41**
As at 31-03-2019	(1,98,840.88)	(6,382.73)	(2,05,223.61)

30. RELATED PARTY DISCLOSURES

As required by Indian Accounting Standard - 24 "Related Parties Disclosures" the disclosure of transactions with related parties are given below :

A Relationships

(a) Wholly Owned Foreign Subsidiary Company

Ratnamani INC, USA

(b) Key Management Personnel

Mr. Prakash M. Sanghvi – Chairman and Managing Director

Mr. Jayanti M. Sanghvi – Joint Managing Director

Mr. Shanti M. Sanghvi – Whole-time Director

Mr. Divyabhash C. Anjaria – Director

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

Mr. Pravinchandra M. Mehta	–	Director
Dr. Vinod M. Agrawal	–	Director
Smt. Nidhi G. Gadhecha	–	Director
Mr. Vimal Katta	–	Chief Financial Officer
Mr. Jigar Shah	–	Company Secretary

(c) Relatives of key management personnel

Mr. Manoj P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
Mr. Prashant J. Sanghvi (Son of Mr. Jayanti M. Sanghvi)
Mr. Nilesh P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
Mr. Jigar P. Sanghvi (Son of Mr. Prakash M. Sanghvi)
Mr. Yash S. Sanghvi (Son of Mr. Shanti M. Sanghvi)

(d) Enterprises owned or significantly influenced by key management personnel or their relatives

Ratnamani Food Products Private Limited
Ratnamani Marketing Private Limited
Ratnamani Healthcare Private Limited
Comfit Valves Private Limited
Ratnamani Techno Casts Private Limited
Shree Mahavir Education Trust.
Ratnaflex Engineering Private Limited
Laxmiraj Distributors Private Limited
Ratanakar Wire Private Limited
Aerolam Decorative LLP

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

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Rent Expense		
Ratnamani Food Products Private Limited	19.16	17.42
Ratnamani Marketing Private Limited	22.24	20.34
Marketing support charges paid		
Ratnamani INC., USA	89.57	-
Purchases of goods		
Ratnaflex Engineering Private Limited	6.86	-
Laxmiraj Distributors Private Limited	56.84	-
Ratanakar Wire Private Limited	4.34	-
Aerolam Decorative LLP	0.51	-
Sales		
Comfit Valves Private Limited	8.57	48.21
Ratnamani Techno Casts Private Limited	246.62	312.94
Ratnaflex Engineering Private Limited	30.27	14.41
Ratanakar Wire Private Limited	6.42	-
Donation		
Shree Mahavir Education Trust	160.00	195.00

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Remuneration to Key Management Personnel and their relatives (excluding commission and sitting fees) (refer note (a) below)	955.49	846.36
Commission		
Mr. Prakash M. Sanghvi	1,550.00	1,250.00
Mr. Jayanti M. Sanghvi	930.00	750.00
Mr. Shanti M. Sanghvi	620.00	500.00
Sitting Fees		
Mr. Divyabhash C. Anjaria	6.00	3.47
Dr. Vinod M. Agrawal	5.60	3.47
Mr. Pravinchandra M. Mehta	4.80	2.96
Smt. Nidhi G. Gadhecha	4.40	1.59

Outstanding as at year end	As at 31-03-2020	As at 31-03-2019
Receivable		
Comfit Valves Private Limited	-	19.54
Ratnamani Techno Casts Private Limited	43.07	74.27
Ratnaflex Engineering Private Limited	7.88	1.51
Payable		
Ratnamani INC., USA	34.01	-
Ratanakar Wire Private Limited	0.63	-
Aerolam Decorative LLP	0.24	-
Mr. Prakash M. Sanghvi	1,556.70	1,257.32
Mr. Jayanti M. Sanghvi	935.26	756.56
Mr. Shanti M. Sanghvi	624.86	505.30
Mr. Manoj P. Sanghvi	2.66	2.21
Mr. Prashant J. Sanghvi	2.28	1.78
Mr. Nilesh P. Sanghvi	2.05	1.50
Mr. Jigar P. Sanghvi	1.26	1.10
Mr. Yash S. Sanghvi	0.84	0.89
Mr. Vimal Katta	3.20	2.33
Mr. Jigar Shah	0.86	0.81

Note (a) : The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on an actuarial basis for the company as a whole.

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2020 and 31st March, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

31. EARNINGS PER SHARE (EPS)

Particulars		Year ended 31-03-2020	Year ended 31-03-2019
Profit for the year	(₹ in Lakhs)	30,749.68	25,293.21
Weighted average no. of shares for EPS computation			
for basic and diluted EPS	(Nos. in Lakhs)	467.28	467.28
Earnings per share (basic and diluted)	(₹)	65.81	54.13
Nominal value of shares	(₹)	2.00	2.00

32. HEDGING ACTIVITIES AND DERIVATIVES

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. Following are the Derivative instruments at year end not designated as hedging instrument:

(₹ in Lakhs)

Sr. No.	Particulars	31-03-2020 Amount (₹ In Lakhs)	31-03-2020 Foreign Currency (In Lakhs)	31-03-2019 Amount (₹ In Lakhs)	31-03-2019 Foreign Currency ₹ in Lakhs)	Purpose
1	Forward Contracts (USD Purchase)	466.09	USD 6.38	3,512.35	USD 50.79	Hedging of foreign currency purchase
2	Forward Contracts (USD Purchase)	-	-	5,039.65	USD 72.86	Hedging of buyer's credit in foreign currency

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedging against principal and interest repayment of external commercial borrowings. The foreign exchange forward contract balances vary with the level of expected foreign currency fluctuations and changes in foreign exchange forward rates.

The Company is holding the following foreign exchange Contracts designated as cash flow hedges:

Sr. No.	Particulars	Maturity Notional Amount (USD in Lakhs)					Purpose
		2020-21	2021-22	2022-23	2023-24	2024-25	
1	Currency and interest rate swaps	39.09	52.13	52.13	52.13	13.02	Hedging of principal and interest repayment of external commercial borrowings.

The impact of the hedging instruments on the balance sheet is as follows:

Sr. No.	Particulars	31-03-2020 Notional Amount (₹ in Lakhs)	31-03-2020 Carrying Amount (₹ in Lakhs)	31-03-2019 Notional Amount (₹ in Lakhs)	31-03-2019 Carrying Amount (₹ in Lakhs)	Line item in the balance sheet
1	Currency and interest rate swaps	USD 208.50	68.36	USD 208.50	730.80	Other financial liabilities

The impact of the hedging instruments on the statement of profit and loss for the Year Ended 31st March, 2020 is as follows:

Sr. No.	Particulars	Total hedging gain/ (loss) recognised in OCI (in Lakhs)	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss
1	Currency and interest rate swaps	68.36	-	-	-

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

The impact of the hedging instruments on the statement of profit and loss for the Year Ended 31st March, 2019 is as follows:

Sr. No.	Particulars	Total hedging gain/ (loss) recognised in OCI (in Lakhs)	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss
1	Currency and interest rate swaps	730.80	-	-	-

33. FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT

33.1 Category-wise Classification of Financial Instruments:

(₹ in Lakhs)

Particulars	Refer Note	As at 31-03-2020			
		Fair Value through OCI	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Investment in unquoted equity shares of subsidiary company		-	-	6.08	6.08
Investments in quoted mutual funds		-	15,483.64	-	15,483.64
Trade receivables		-	-	37,018.34	37,018.34
Cash and cash equivalents		-	-	4,593.78	4,593.78
Other balances with banks		-	-	12,732.23	12,732.23
Loans		-	-	39.50	39.50
Other financial assets		-	19.90	1,231.99	1,251.89
Total		**-**	**15,503.54**	**55,621.92**	**71,125.46**
Financial liabilities					
Borrowings	11	-	-	25,153.61	25,153.61
Trade payables	13	-	-	26,421.99	26,421.99
Derivatives	14	68.36	-	-	68.36
Lease liabilities	14	-	-	1,091.36	1,091.36
Other financial liabilities	14	-	-	6,198.26	6,198.26
Total		**68.36**	**-**	**58,865.22**	**58,933.58**

(₹ in Lakhs)

Particulars	Refer Note	As at 31-03-2019			
		Fair Value through OCI	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Investment in unquoted equity shares of subsidiary company	4	-	-	6.08	6.08
Investments in quoted mutual funds	4	-	20,313.30	-	20,313.30
Trade receivables	6	-	-	46,206.87	46,206.87
Cash and cash equivalents	7(a)	-	-	14,164.74	14,164.74
Loans	4	-	-	48.43	48.43
Other financial assets	4	-	-	674.23	674.23
Total		**-**	**20,313.30**	**61,100.35**	**81,413.65**
Financial liabilities					
Borrowings	11	-	-	6,539.66	6,539.66
Trade payables	13	-	-	29,189.58	29,189.58
Derivatives	14	730.80	429.44	-	1,160.24
Other financial liabilities	14	-	-	3,156.55	3,156.55
Total		**730.80**	**429.44**	**38,885.79**	**40,046.03**

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

33.2 Category-wise Classification of Financial Instruments:

The financial instruments are categorised in to three levels, based on the inputs used to arrive at fair value measurement as described bellow:

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

Valuation Methodology

Financial instruments are initially recognised and subsequently re-measured at fair value as described below :

The fair value of investment in quoted Mutual Funds is measured at quoted price/ NAV.

The derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

(a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(₹ in Lakhs)

Particulars	As at 31-03-2020			As at 31-03-2019		
	Quoted price in active markets (Level 1)	Significant observable Inputs (Level 2)	Total	Quoted price in active markets (Level 1)	Significant observable Inputs (Level 2)	Total
Financial Assets						
Investments in quoted mutual funds (measured at FVTPL)	15,483.64	-	15,483.64	20,313.30	-	20,313.30
Financial Liabilities						
Foreign exchange forward contracts USD (measured at FVTPL)	-	466.09	466.09	-	8,552.00	8,552.00
Foreign exchange USD (measured at FVTOCI) - foreign currency and interest rate swap	-	15,717.96	15,717.96	-	14,422.22	14,422.22

There have been no transfers between Level 1 and Level 2 during the period. There are no instruments covered under Level 3.

(b) Financial Instruments measured at Amortised Cost

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables, bank overdrafts, investments and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

34. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, loans given, trade and other receivables and cash & term deposits that derive directly from its operations.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by the corporate finance under policies approved by the Board of directors. The corporate finance identifies, evaluates and hedges financial risks in close co-operation with the Company's Business Heads. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The corporate finance function reports quarterly to the Company's Audit committee, that monitors risks and policies framed to mitigate risk exposures.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions and current situation, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. In certain cases company enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit and equity for the year ended 31st March, 2020 would (decrease)/increase by ₹ 2.82 Lakhs (31st March, 2019: ₹ Nil). This is mainly attributable to variable interest rates on long term borrowings.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying assets/liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's unhedged foreign currency denominated monetary items are as follows:

(₹ in Lakhs)

Currency	Liabilities		Assets	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
USD	14,053.05	14,015.38	9,974.19	18,423.51
EURO	2,423.99	1,281.67	946.31	1.30
AED	-	0.05	-	-
JPY	1.15	0.52	-	-

The above table represents total exposure of the Company towards foreign exchange denominated assets and liabilities. The details of exposures hedged using forward exchange contracts are given as a part of note 32.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Lakhs)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	Year ended 31-03-2020	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2019
a) USD Sensitivity				
RUPEES / USD – Increase by 1%	40.78	44.11	40.78	44.11
RUPEES / USD – Decrease by 1%	(40.78)	(44.11)	(40.78)	(44.11)
b) EURO Sensitivity				
RUPEES / EURO – Increase by 1%	14.78	12.80	14.78	12.80
RUPEES / EURO – Decrease by 1%	(14.78)	(12.80)	(14.78)	(12.80)

iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. As at 31st March, 2020, the carrying value of such instruments recognised at FVTPL amounts to ₹ 15,483.64 Lakhs (31st March, 2019 ₹ 20,313.30 lakhs). The details of such investments in mutual funds is given in note 4.

The management expects that the exposure to risk of changes in market rates of these mutual funds is minimal.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Concentrations of Credit Risk form part of Credit Risk

During the year ended 31st March, 2020, sales to a customer approximated ₹ 44,929.56 lakhs (or 17.39 % of net revenue) and during the year ended 31st March, 2019, sales to such customer approximated ₹ 56,113.84 lakhs (or 20.37 % of net revenue). Accounts receivable from such customer approximated ₹ 3,378.06 lakhs (or 9.13% of total receivables) at 31st March, 2020 and ₹ 6,048.80 lakhs (or 13.09% of total receivables) at 31st March, 2019. A loss of this customer could significantly affect the operating results or cash flows of the Company."

The Company generally extends a credit period of 0 to 180 days.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

The reconciliation of ECL is as follows :

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Balance at the beginning of the year	209.65	213.73
Add: Allowance for the year based on ECL	38.80	23.70
Less: Utilisation for the year based on ECL	(23.78)	(27.78)
Total provision based on ECL	**224.67**	**209.65**

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including, debt and overdraft / credit facilities from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments:

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 year	Total
Year ended 31st March, 2020				
Interest bearing borrowings	7,591.10	16,104.18	1,458.33	25,153.61
Trade payables	26,421.99	-	-	26,421.99
Derivatives	-	68.36	-	68.36
Lease liabilities	82.38	622.13	386.85	1,091.36
Other financial liabilities	6,198.26	-	-	6198.26
Year ended 31st March, 2019				
Interest bearing borrowings	6,539.66	-	-	6,539.66
Trade payables	29,189.58	-	-	29,189.58
Derivatives	429.44	-	730.80	1,160.24
Other financial liabilities	3,156.55	-	-	3,156.55

35. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Company estimates the amount of capital required on the basis of annual business and long term operating plans which includes capital and other strategic investments. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

As at 31st March, 2020, the Company meets its capital requirement through equity and borrowings from banks. The Company monitors its capital and debt on the basis of debt to equity ratio.

Notes to Standalone Financial Statements
For the year ended 31st March, 2020 (Contd.)

The debt equity ratio of the reporting period is as follows:

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Borrowings	25,153.61	6,539.66
Total Equity	1,70,814.28	1,52,187.32
Debt Equity Ratio	0.15	0.04

The Company's capital management amongst other things, aims to ensure that it meets financials covenants attached to borrowings.

36. DISCLOSURE OF SIGNIFICANT INTEREST IN SUBSIDIARIES AS PER PARAGRAPH 17 OF IND AS 27

(₹ in Lakhs)

Name of Entity	Principal activities	Country of Incorporation	Ownership %	
			As at 31-03-2020	As at 31-03-2019
Ratnamani INC	Trading of goods	United States of America	100%	100%

Note : Method of accounting investment in subsidiary is at cost.

37. IMPACT ASSESSMENT ON COVID-19 OUTBREAK

On March 24, 2020, the Government of India ordered a nationwide lockdown to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions including conditions in India because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets are fully recoverable. The Company believes that impact of COVID-19 on the Company's financial statement is not material.

38. EVENTS AFTER THE REPORTING PERIOD

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of June 16, 2020, there were no subsequent events to be recognized or reported that are not previously disclosed.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Independent Auditors' Report

To the Members of **Ratnamani Metals & Tubes Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Ratnamani Metals & Tubes Limited (hereinafter referred to as the "Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as the "Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of component not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditors' Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Recoverability of Trade Receivable balances - Trade receivables *(as described in note 6 of the consolidated financial statements)*	
Year-end outstanding trade receivables represent balance outstanding from domestic and export customers. Trade receivables by nature carry certain risks in general which include overdue balances, customers in weaker economic and geopolitical environment, customer's ability to pay, provision in relation to expected credit loss, assessment of recovery process and compliance with risk management controls. Procedures to mitigate such risks includes element of management judgment and are important to access recoverability of trade receivables. Trade receivables has been considered a key audit matter in the current year due to the significance of the amount and element of judgement involved in overall management assessment of customers' ability to repay the outstanding balances during COVID 19 disruption.	Our audit procedures among other things, included the following: - We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to the Trade Receivable process, where we tested on a sample basis control over the customer acceptance process, collection and the assessment of the recoverability of receivables; - Tested on a sample basis the aging of trade receivables at year end; - In respect of material trade receivables balances, inspected relevant contracts and correspondence with the customers, wherever applicable; - In respect of material trade receivables balances which are past due, additional procedures were performed to evaluate their historical payment trends, terms & conditions of customer contracts, assessed whether the customers are experiencing financial difficulties, and assessed expected credit loss assessment provided and impact considered by the management; - Compared the collateral in the nature of bank guarantees/letter of credits provided by customers as applicable; - Evaluated the nature of customers and obtained the understanding from management about whether any impact on those customers business because of COVID 19 pandemic, and; - Verified subsequent collection in relation to receivables outstanding as at March 31, 2020.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with governance are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report (Contd.)

Other Matter

(a) We did not jointly audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ 118.79 lakhs as at March 31, 2020 and total revenues of ₹ 89.57 lakhs and net cash outflows of ₹ 10.23 lakhs for the year ended on that date. These financial statements and other financial information have been audited by one of the joint auditors and other joint auditors has placed reliance on the same. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such joint auditors.

(b) Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the joint auditors.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 26(b) to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the consolidated financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2020.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
UDIN: 20118746AAAABI8286

Place : Mumbai
Date : June 16, 2020

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

per Jinal A. Patel
Partner
Membership No.: 153599
UDIN: 20153599AAAAFC9517

Place : Ahmedabad
Date : June 16, 2020

Annexure 1 to Independent Auditors' Report

Annexure 1 referred to paragraph 1 of Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2020.

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

In conjunction with our audit of the consolidated financial statements of Ratnamani Metals & Tubes Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Ratnamani Metals & Tubes Limited (hereinafter referred to as the "Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated financial statements

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

Annexure 1 to Independent Auditors' Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these consolidated financial statements

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

Opinion

In our opinion, the Holding Company has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
UDIN: 20118746AAAABI8286

Place : Mumbai
Date : June 16, 2020

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

per Jinal A. Patel
Partner
Membership No.: 153599
UDIN: 20153599AAAAFC9517

Place : Ahmedabad
Date : June 16, 2020

Consolidated Balance Sheet

As at 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	49,914.22	43,932.42
Capital work-in-progress	3	37,146.02	17,859.81
Intangible assets	3	77.62	69.59
Financial assets	4		
Loans		13.50	20.70
Other financial assets		117.94	80.87
Other non-current assets	8	3,087.28	1,519.46
Total non-current assets		**90,356.58**	**63,482.85**
Current assets			
Inventories	5	85,921.10	59,002.93
Financial assets			
Investments	4	15,483.64	20,313.30
Trade receivables	6	37,018.34	46,207.06
Cash and cash equivalents	7 (a)	4,678.11	14,259.30
Other balances with banks	7 (b)	12,732.23	-
Loans	4	26.00	27.73
Other financial assets	4	1,133.95	593.36
Other current assets	8	7,107.16	1,425.75
Total current assets		**1,64,100.53**	**1,41,829.43**
TOTAL ASSETS		**2,54,457.11**	**2,05,312.28**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	934.56	934.56
Other equity	10	1,69,981.02	1,51,340.53
Total equity		**1,70,915.58**	**1,52,275.09**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	17,562.51	-
Other financial liabilities	14	1,077.34	730.80
Deferred tax liabilities (net)	12	3,068.22	3,591.06
Total non-current liabilities		**21,708.07**	**4,321.86**
Current liabilities			
Financial liabilities			
Borrowings	11	4,435.65	6,539.66
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		619.39	645.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		25,776.10	28,545.35
Other financial liabilities	14	9,436.09	3,585.99
Other current liabilities	15	20,967.92	8,873.57
Provisions	16	567.41	490.23
Current tax liabilities (net)	17	30.90	35.40
Total current liabilities		**61,833.46**	**48,715.33**
Total liabilities		**83,541.53**	**53,037.19**
TOTAL EQUITY AND LIABILITIES		**2,54,457.11**	**2,05,312.28**
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Consolidated Statement of Profit & Loss

For the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Notes	Year ended 31-03-2020	Year ended 31-03-2019
INCOME			
Revenue from operations	18	2,58,313.95	2,75,490.32
Other income	19	6,183.64	4,122.64
Total income		**2,64,497.59**	**2,79,612.96**
EXPENSES			
Cost of raw materials and components consumed	20	1,75,017.97	1,93,729.13
Changes in inventories of finished goods and work-in-progress	21	(5,387.33)	(3,326.03)
Employee benefits expenses	22	14,549.50	12,908.96
Finance costs	23	2,096.27	1,476.73
Depreciation and amortisation expenses	3	5,850.84	6,242.39
Other expenses	24	31,733.62	31,527.27
Total expenses		**2,23,860.87**	**2,42,558.45**
Profit before tax		**40,636.72**	**37,054.51**
TAX EXPENSE			
Current tax	12	10,500.08	13,154.22
Excess provision for current tax of earlier years		(41.59)	(948.93)
Deferred tax	12	(576.17)	(442.67)
Total tax expense		**9,882.32**	**11,762.62**
Net profit for the year		**30,754.40**	**25,291.89**
Other comprehensive income / (loss)			
a) Items that will not be reclassified to profit and loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(223.78)	(80.22)
Income tax effect		56.32	28.03
		(167.46)	**(52.19)**
b) Items that will be reclassified to profit and loss in subsequent periods			
Net movement in cash flow hedge reserve		(71.98)	(730.80)
Income tax effect		(53.33)	255.37
		(125.31)	**(475.43)**
Exchange differences on translation of foreign operations		8.81	6.94
		(116.50)	**(468.49)**
Total other comprehensive income / (loss) for the year, net of tax		**(283.96)**	**(520.68)**
Total comprehensive income for the year, net of tax		**30,470.44**	**24,771.21**
Profit for the year attributable to:			
Equity holders of the parent		30,754.40	25,291.89
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Equity holders of the parent		30,470.44	24,771.21
Non-controlling interest		-	-
Earnings per equity share [nominal value per share ₹ 2/- (31st March, 2019: ₹ 2/-)]	31		
Basic & Diluted		65.82	54.13
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Consolidated Statement of Change in Equity

For the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. in Lakhs	₹ in Lakhs
As at 1st April, 2018	467.28	934.56
Issue of Equity Share Capital	-	-
As at 31st March, 2019	467.28	934.56
Issue of Equity Share Capital	-	-
As at 31st March 2020	**467.28**	**934.56**

B. OTHER EQUITY (REFER NOTE-10)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Cash Flow Hedge Reserve	Other Comprehensive Income - Foreign Currency Translation Reserve	Total Other Equity
	Securities Premium	Capital Reserve	Amalgamation Reserve	General Reserve	Retained Earnings			
As at 1st April, 2018	2,279.06	490.04	392.11	72,625.16	54,156.53	-	6.40	1,29,949.30
Profit for the year	-	-	-	-	25,291.89	-	-	25,291.89
Other Comprehensive Income:								
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(52.19)	-	-	(52.19)
Foreign currency translation reserve	-	-	-	-	-	-	6.94	6.94
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(475.43)	-	(475.43)
Total Comprehensive Income	-	-	-	-	25,239.70	(475.43)	6.94	24,771.21
Dividend paid (refer note-10)	-	-	-	-	(2,803.68)	-	-	(2,803.68)
Dividend Distribution Tax (refer note-10)	-	-	-	-	(576.30)	-	-	(576.30)
As at 31st March 2019	2,279.06	490.04	392.11	72,625.16	76,016.25	(475.43)	13.34	1,51,340.53
Profit for the year	-	-	-	-	30,754.40	-	-	30,754.40
Other Comprehensive Income:								
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(167.46)	-	-	(167.46)
Foreign currency translation reserve	-	-	-	-	-	-	8.81	8.81
Net movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(125.31)	-	(125.31)
Total Comprehensive Income	-	-	-	-	30,586.94	(125.31)	8.81	30,470.44
Dividend paid (refer note-10)	-	-	-	-	(9,812.88)	-	-	(9,812.88)
Dividend Distribution Tax (refer note-10)	-	-	-	-	(2,017.07)	-	-	(2,017.07)
As at 31st March 2020	**2,279.06**	**490.04**	**392.11**	**72,625.16**	**94,773.24**	**(600.74)**	**22.15**	**1,69,981.02**

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Consolidated Statement of Cash Flow

For the Year Ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	40,636.72	37,054.51
Adjustments to reconcile profit before tax to net cash flows:		
(Gain)/Loss on Sale/Discard of property, plant and equipment and Capital Work-in-Progress (net)	(1.81)	2.78
Depreciation and amortisation expense	5,850.84	6,242.39
Dividend Income	(5.36)	(265.04)
Interest income and fair value changes in financial instruments	(2,627.25)	(570.45)
Unrealised Foreign Exchange Loss/(Gain)	139.33	(524.26)
Provision for doubtful debts	38.80	23.70
Excess provision/liabilities no longer payable written back	(446.28)	(143.95)
Interest expense	1,561.71	944.94
Operating Profit before working capital changes	**45,146.70**	**42,764.62**
Working capital adjustments:		
Decrease in trade receivables	9,734.52	9,233.07
(Increase) in inventories	(26,918.17)	(1,603.33)
Decrease/(Increase) in loans	8.93	(4.82)
Decrease/(Increase) in other financial assets	44.00	(29.94)
(Increase)/Decrease in other current non-financial assets	(5,681.41)	8,339.68
(Decrease) in other assets	(15.00)	-
(Decrease)/Increase in trade payables	(3,390.02)	10,888.03
Increase/(Decrease) in other liabilities	12,522.50	(1,003.51)
Increase in other financial liabilities	834.29	593.44
(Decrease)/Increase in provisions	(146.60)	45.02
Cash generated from operations	**32,139.74**	**69,222.26**
Direct taxes paid (net)	(10,618.75)	(13,869.86)
Net Cash generated from operating activities	**21,520.99**	**55,352.40**
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including CWIP and capital advances)	(29,801.45)	(16,652.94)
Proceeds from sale of property, plant and equipment	12.22	178.27
Sales/(Purchase) of current investments (net)	4,829.66	(20,313.24)
Investment in Bank Deposit	(12,732.23)	-
Dividend income	5.36	265.04
Interest Income	2,005.59	515.07
Net Cash used in investing activities	**(35,680.85)**	**(36,007.80)**

Consolidated Statement of Cash Flow

For the Year Ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from long term borrowings	19,983.54	-
Repayment of short term borrowings (net)	(2,104.01)	(1,293.59)
Dividend paid	(9,812.88)	(2,803.68)
Dividend distribution tax on dividend	(2,017.07)	(576.30)
Payment of principal portion of lease liabilities	(50.57)	-
Interest paid (Including Interest Payment on lease liabilities)	(1,318.38)	(953.83)
Net Cash generated/(used in) from financing activities	**4,680.63**	**(5,627.40)**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(9,479.23)**	**13,717.20**
Effect of Foreign currency translation reserve	8.81	6.94
Effect of Exchange difference on Cash and Cash equivalents held in foreign currency	(110.77)	(11.64)
Cash and Cash Equivalents at the beginning of the year	14,259.30	546.80
Cash and Cash Equivalents at the end of the year (refer note 7(a))	**4,678.11**	**14,259.30**

Notes:

a) The Consolidated Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

b) Disclosure of change in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Cash flows	Foreign exchange movement	Changes in Fair Value	Other Changes#	As at 31st March, 2019
Short term borrowings	7,891.38	(1,293.59)	(58.13)	-	-	6,539.66
Interest	22.35	(953.83)	-	-	944.94	13.46
Total	**7,913.73**	**(2,247.42)**	**(58.13)**	**-**	**944.94**	**6,553.12**

Particulars	As at 1st April, 2019	Cash flows	Foreign exchange movement	Changes in Fair Value	Other Changes#	As at 31st March, 2020
Long term borrowings	-	19,983.54	734.42	-	-	20,717.96
Short term borrowings	6,539.66	(2,104.01)	-	-	-	4,435.65
Interest	13.46	(1,318.38)	-	-	1,538.50	233.58
Lease liabilities	-	(50.57)	-	1,141.93	-	1,091.36
Total	**6,553.12**	**16,510.58**	**734.42**	**1,141.93**	**1,538.50**	**26,478.55**

Other changes in interest accrued represents accrual of Interest during the year.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

Notes to Consolidated Financial Statements

For the Year Ended 31st March, 2020

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Ratnamani Metals & Tubes Limited (the "Company") and its subsidiary (collectively the "Group") for the year ended 31st March, 2020. The Company is a public Company domiciled in India and incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at 17, Rajmugat Society, Naranpura Char Rasta, Naranpura, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of stainless steel pipes and tubes and carbon steel pipes at Kutch, Indrad and Chhatral in the state of Gujarat. The Company caters to both domestic and international markets.

The consolidated financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 16th June 2020.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements of the Group.

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

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

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. PRINCIPLES OF CONSOLIDATION :

The consolidated financial statements comprises the financial statements of the Company and its subsidiary, Ratnamani INC USA for the year ended 31st March, 2020. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on 'Consolidated Financial Statements'. Consolidated financial statements have been prepared on the following basis:

i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.

ii) Financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.

iii) On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI).

iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

v) The subsidiary considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% of Ownership interest as at	
		31st March, 2020	31st March, 2019
Ratnamani INC	United States of America	100%	100%

b. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

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

c. FOREIGN CURRENCIES:

The Group's consolidated financial statements are presented in ₹ , which is also the Group's functional currency. The Group determines the functional currency and items included in the consolidated financial statements are measured using that functional currency.

Transactions and balances

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

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

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

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

d. FAIR VALUE MEASUREMENT:

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

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

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

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

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

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

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

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

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

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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions (refer note 33 and 34)
- Quantitative disclosures of fair value measurement hierarchy (refer note 33.2)
- Financial instruments (including those carried at amortised cost) (refer note 33.1)

e. PROPERTY, PLANT AND EQUIPMENT (PPE):

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

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

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

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

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

(i) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.

(ii) Furnace and X-ray machines are depreciated at an annual rate of 20% to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Group.

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

f. INTANGIBLE ASSETS:

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

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

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

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

g. BORROWING COSTS:

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

h. IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

i. LEASES:

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

Group as a lessee:

I. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Estimated Useful Life
Right-of-use of office premises and leasehold land	Over the balance period of lease agreement

Right-of-use of office premises Over the balance period of lease agreement and leasehold land

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

II. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

III. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment, offices and windmills (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value amounting to 2 lakhs. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

IV. Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for lease previously classified as finance leases, i.e. the right to use of assets and lease liabilities equal to the lease assets and liabilities recognised under Ind AS 17. The requirements of Ind AS 116 was applied to those leases from 1st April, 2019.

j. FINANCIAL INSTRUMENTS:

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

Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.1(l) Revenue from contracts with customers.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

Subsequent measurement

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

- Financial assets instruments at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)

Financial assets at amortised cost (debt instruments)

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial Assets at FVTOCI

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

Financial Assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and investments in equity instruments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of Profit and Loss.

Equity investments

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see note 2.2
- Financial Assets at FVTPL – see note 2.1 (j)
- Trade receivables and contract assets – see note 6 and 2.1(l)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

The Group considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

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For the year ended 31st March, 2020 (Contd.)

Financial assets measured at amortised cost:

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

Financial liabilities & Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.

Financial guarantee contracts

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

Derecognition

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

k. INVENTORIES:

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

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

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

l. REVENUE:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

i) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days upon delivery, usually backed by financial arrangements in some cases.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of liquidated damages. The liquidated damages give rise to variable consideration.

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

ii) The Group accounts for pro forma credits, refunds of duty of customs 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 as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

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

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

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (j) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities (Advance from customers)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities (advance from customers) are recognised as revenue when the Group performs under the contract.

m. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

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

In respect of gratuity liability, the Group operates defined benefit plan wherein contributions are made to a separately administered fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each reporting date being carried out using the projected unit credit method.

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

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

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

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

n. TAXES:

Tax expense comprises of current income tax and deferred tax.

Current income tax:

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

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

Deferred Tax:

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

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

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

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

- When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

o. PROVISIONS:

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

p. DERIVATIVE FINANCIAL INSTRUMENTS:

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Group uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

q. EARNINGS PER SHARE:

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

r. CASH AND CASH EQUIVALENT:

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

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

s. CASH DIVIDEND:

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue from contracts with customers

The Group applied the following judgement that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint.

Certain contracts with customers include Liquidated Damages that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which customer will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from contract with customers. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customer. Before adjusting any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Estimates and assumptions

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

Taxes

Pursuant to the Taxation Laws (Amendment) Ordinance 2019 issued by Ministry of Law and Justice (Legislative Department) dated September 20, 2019 effective from April 01, 2019, the Group has opted to avail lower tax rates of 22% (without any tax benefits) instead of existing tax rate of 30%.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

Further details about gratuity obligations are given in note 25.

Useful Life of Property Plant & Equipment and Intangible assets

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 33 and 34 for further disclosures.

2.3 NEW STANDARDS, APPENDICES TO IND AS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st March, 2019, except for the adoption of new standards effective as of 1st April, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group applies, for the first time, Ind AS 116 Leases using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statements of the Group.

Several other amendments and interpretations apply for the first time in 1st April, 2019, but do not have an impact on consolidated financial statements of the Group.

a. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 "Leases". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied to all lease contracts, identified under Ind AS 17, existing on 1st April, 2019 using the modified retrospective method on the date of initial application.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

Pursuant to adoption of Ind AS 116, the Group recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases amount and leases of low-value assets amounting to 2 lakhs. The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the Lease.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

Amount recognised in the Balance Sheet and statement of Profit and Loss:

i. Set out below, are the carrying amounts of the Group's right-to-use assets and lease liabilities and the movements during the period:

(₹ in lakhs)

Particulars	ROU Assets		Lease Liabilities
	Leasehold Land	Office Premises	
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)	42.57	64.91	81.28
Additions during the year	-	1,102.51	1,060.65
Finance Costs incurred during the year	-	-	57.83
Depreciation and Amortisation Expenses	3.08	87.52	-
Payments of lease liabilities	-	-	(108.40)
As at 31st March, 2020	**39.49**	**1,079.90**	**1,091.36**

ii. Set out below, are the amount recognised in Statement of Profit and Loss:

(₹ in lakhs)

Particulars	Year Ended 31-03-2020
Depreciation and Amortisation Expenses	90.60
Interest expenses on lease liabilities	57.83
Expense relating to short-term leases	250.86
Total	**399.29**

iii. Impact on the Statement of Cash Flows (increase / (decrease)) for year ended 31st March, 2020

(₹ in lakhs)

Particulars	Year Ended 31-03-2020
Net cash flows from operating activities	108.40
Net cash flows from financing activities	(108.40)

b. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Upon adoption of the Appendix C to Ind AS 12, the Group evaluated whether it has any uncertain tax positions which requires adjustments to provision for current tax. The Group has no on going disputes with Income Tax authorities, however in respect of certain allowance/deductions, it is probable that such positions will not be accepted by Tax authorities on Tax assessments and hence the same have been considered and adequately provided for while calculating current tax provision of the respective years. Adoption of this appendix has not resulted in any impact on the financial statements of the Group.

3. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

(a) Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Leasehold land	Right of Use (refer note 2.3 (a)(i))		Freehold land	Buildings	Plant & Machinery	Furniture & fixture	Vehicles	Office equipment	Total
		Leasehold land	Office Premises							
Cost										
As at 1st April, 2018	27.60	-	-	2,999.14	10,445.34	45,479.90	431.69	1,695.99	348.15	61,427.81
Additions	-	-	-	1,558.21	539.59	3,327.84	10.22	216.20	234.27	5,886.33
Disposals	-	-	-	125.16	83.08	22.08	-	157.76	1.18	389.26
As at 31st March, 2019	27.60	-	-	4,432.19	10,901.85	48,785.66	441.91	1,754.43	581.24	66,924.88
Recognition on initial application of Ind AS 116	-	42.57	64.91	-	-	-	-	-	-	107.48
Transfer on account of impact of IND AS 116	27.60	-	-	-	-	-	-	-	-	27.60
Additions	-	-	1,102.51	1.70	1,117.92	8,399.96	415.10	534.33	178.67	11,750.19
Disposals	-	-	-	-	-	-	-	65.00	0.62	65.62
As at 31st March, 2020	**-**	**42.57**	**1,167.42**	**4,433.89**	**12,019.77**	**57,185.62**	**857.01**	**2,223.76**	**759.29**	**78,689.33**
Depreciation/Amortization and Impairment										
As at 1st April, 2018	1.05	-	-	-	1,191.30	15,005.32	235.43	359.22	183.79	16,976.11
Depreciation/Amortization for the year	0.35	-	-	-	434.91	5,413.56	43.00	251.23	81.51	6,224.56
Disposals	-	-	-	-	77.60	20.11	-	109.86	0.64	208.21
As at 31st March, 2019	1.40	-	-	-	1,548.61	20,398.77	278.43	500.59	264.66	22,992.46
Depreciation/Amortization for the year	-	3.08	87.52	-	442.85	4,908.65	31.35	266.82	98.99	5,839.26
Transfer on account of impact of IND AS 116	1.40	-	-	-	-	-	-	-	-	1.40
Disposals	-	-	-	-	-	-	-	55.07	0.14	55.21
As at 31st March, 2020	**-**	**3.08**	**87.52**	**-**	**1,991.46**	**25,307.42**	**309.78**	**712.34**	**363.51**	**28,775.11**
Net Block										
As at 31st March, 2020	**-**	**39.49**	**1,079.90**	**4,433.89**	**10,028.31**	**31,878.20**	**547.23**	**1,511.42**	**395.78**	**49,914.22**
As at 31st March, 2019	26.20	-	-	4,432.19	9,353.24	28,386.89	163.48	1,253.84	316.58	43,932.42

i) Buildings includes ₹ 47.80 Lakhs (31st March, 2019 ₹ 47.80 Lakhs) representing cost of unquoted fully paid shares held in co-operative housing societies.

(b) Intangible Assets

(₹ in Lakhs)

Particulars	Software
Cost	
As at 1st April, 2018	221.45
Additions	1.33
As at 31st March, 2019	222.78
Additions	19.61
As at 31st March, 2020	**242.39**
Amortisation and Impairment	
As at 1st April, 2018	135.36
Amortisation for the year	17.83
As at 31st March, 2019	153.19
Amortisation for the year	11.58
As at 31st March, 2020	**164.77**
Net Block	
As at 31st March, 2020	**77.62**
As at 31st March, 2019	69.59

(c) Capital work-in-progress

(₹ in Lakhs)

Particulars	Amount
As at 31st March, 2020	**37,146.02**
As at 31st March, 2019	17,859.81

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

4. FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Investments		
Non-Trade Investments		
Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
Nil (31st March, 2019:37,19,748.502) Units of ICICI Prudential Liquid Fund - Direct Plan - Daily Dividend	-	3,725.24
Nil (31st March, 2019:4,04,492.603) Units of Axis Liquid Fund - Direct Daily Dividend - CFDR	-	4,048.79
Nil (31st March, 2019:3,61,373.962) Units of Kotak Liquid Direct Plan Daily Dividend	-	4,420.63
Nil (31st March, 2019:8,09,234.359) units of SBI Liquid Fund Direct Daily Dividend	-	8,118.64
91,769.397 (31st March, 2019:Nil) units of SBI Magnum Ultra Short Duration Fund Direct Growth	4,110.94	-
2,39,882.461 (31st March, 2019:Nil) units of SBI Overnight Fund Direct Growth	7,805.10	-
1,53,434.938 (31st March, 2019:Nil) units of Axis Treasury Advantage Fund - Direct Growth - TADG	3,567.60	-
	15,483.64	**20,313.30**
Current	15,483.64	20,313.30
Non-Current	-	-
	15,483.64	**20,313.30**
Aggregate value of Unquoted Investments	-	-
Aggregate book value of Quoted Mutual Funds	15,483.64	20,313.30
	15,483.64	**20,313.30**
Aggregate market value of Quoted Mutual Funds (refer note-33)	15,483.64	20,313.30
Loans (Unsecured, Considered Good)		
Loans to employees	39.50	48.43
	39.50	**48.43**
Current	26.00	27.73
Non-Current	13.50	20.70
	39.50	**48.43**
Other Financial Assets		
Interest accrued	689.83	68.17
Security deposits	441.53	458.52
Derivative instruments at fair value through profit or loss		
(Derivatives not designated as hedges)		
Foreign exchange forward contracts	19.90	-
Wind-Mill surplus receivable	100.63	114.92
Others	-	32.62
	1,251.89	**674.23**
Current	1,133.95	593.36
Non-Current	117.94	80.87
	1,251.89	**674.23**

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

Fair value disclosures for financial assets and liabilities (refer note-33.1)

Fair value hierarchy disclosures for investment (refer note-33.2)

For Financial instruments risk management objectives and policies (refer note-34)

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

5. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Raw materials		
Raw materials and components	43,375.27	26,742.94
Raw materials in transit	7,612.55	3,208.63
Work-in-progress	27,977.34	19,903.94
Finished goods		
Finished goods	2,391.89	3,308.14
Finished goods in transit	690.76	2,460.58
Stores and spares	3,873.29	3,378.70
	85,921.10	**59,002.93**

6. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Secured, considered good	6,351.60	13,084.48
Unsecured, considered good	30,666.74	33,122.58
Trade receivables which have significant increase in credit Risk	-	-
Trade receivables - credit impaired	224.67	209.65
Total	**37,243.01**	**46,416.71**
Less:		
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	224.67	209.65
Total trade receivables	**37,018.34**	**46,207.06**
Above includes :		
Receivables from related parties, unsecured, considered good (refer note-30)	50.95	95.32

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Refer note 34 (b) for credit risk evaluation.

Following is the movement of allowance for expected credit losses of trade receivables: (₹ in Lakhs)

Particulars	31-03-2020	31-03-2019
As at April 1	209.65	213.73
Provision for expected credit losses (refer note-24)	15.02	(4.08)
As at March 31	224.67	209.65

7. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
(a) Cash and Cash Equivalents		
Balances with Banks		
In Current accounts	4,527.74	4,923.87
Deposits with original maturity of three months or less	-	9,200.00
Unpaid dividend accounts	133.08	120.24
Cash on hand	17.29	15.19
	4,678.11	**14,259.30**
(b) Other balances with banks		
Deposits with original maturity of more than three months but less than twelve months	12,732.23	-
	17,410.34	**14,259.30**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day to three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Deposits aggregating to ₹ 4,998.00 Lakhs are pledged / lien against bank overdraft facility.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

8. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Capital advances	2,323.60	959.65
Investment in silver	0.84	0.84
Prepaid expense	305.74	184.09
Advance receivable in cash or kind		
Advance for material	2,437.92	615.92
Excise / GST claim receivables	765.44	228.09
Duty entitlement pass book / Import licenses	34.60	71.53
Balances with government authorities	3,546.93	305.79
Export benefits receivable	31.03	8.26
Others	20.50	32.07
	6,836.42	**1,261.66**
	9,466.60	**2,406.24**
Non-Current tax assets (net)	727.84	538.97
	10,194.44	**2,945.21**
Current	7,107.16	1,425.75
Non-Current	3,087.28	1,519.46
	10,194.44	**2,945.21**

9. SHARE CAPITAL

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. in Lakhs	₹ in Lakhs	No. in Lakhs	₹ in Lakhs
Authorised Share Capital	750.00	1,500.00	750.00	1,500.00
Increase/(decrease) during the year	-	-	-	-
	750.00	**1,500.00**	**750.00**	**1,500.00**

Terms/Rights attached to Equity Shares

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

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.

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. in Lakhs	₹ in Lakhs	No. in Lakhs	₹ in Lakhs
Issued Share Capital				
Equity shares of ₹ 2 each issued, subscribed and fully paid	467.28	934.56	467.28	934.56
Increase/(decrease) during the year	-	-	-	-
	467.28	**934.56**	**467.28**	**934.56**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

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

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% held	No. of Shares	% held
Prakash M. Sanghvi	72,18,385	15.45%	71,86,385	15.38%
Jayanti M. Sanghvi	39,11,025	8.37%	39,11,025	8.37%
Nalanda India Fund Limited	28,50,155	6.10%	28,50,155	6.10%
L&T Mutual Fund Trustee Limited	25,78,003	5.52%	-	-

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

10. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
a) Securities Premium		
Opening balance	2,279.06	2,279.06
Increase/(decrease) during the year	-	-
	2,279.06	**2,279.06**
Securities premium is used to record the premium on issue of shares. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.		
OTHER RESERVES		
b) Foreign Exchange Translation reserve		
Opening balance	13.34	6.40
Increase/(decrease) during the year	8.81	6.94
	22.15	**13.34**
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.		
c) Capital Reserve		
Opening balance	490.04	490.04
Increase/(decrease) during the year	-	-
	490.04	**490.04**
Capital reserve is mainly used to record the reserves created on receipt of state/central subsidies and amount forfeited towards the forfeiture of equity warrants issued. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.		
d) Amalgamation Reserve		
Opening balance	392.11	392.11
Increase/(decrease) during the year	-	-
	392.11	**392.11**
Amalgamation reserve is used to record the reserves created on amalgamation of Ratnamani Engineering Ltd. and Ratnamani Fine Tubes Pvt. Ltd. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.		
e) General Reserve		
Opening balance	72,625.16	72,625.16
Increase/(decrease) during the year	-	-
	72,625.16	**72,625.16**
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.		

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

(₹ in Lakhs)

	Particulars	As at 31-03-2020	As at 31-03-2019
	Other Comprehensive Income		
f)	**Cash flow hedge reserve**		
	Opening balance	(475.43)	-
	Net movement during the year	(125.31)	(475.43)
		(600.74)	**(475.43)**
	The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, currency swaps, and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.		
g)	**Retained Earnings**		
	Opening balance	76,016.25	54,156.53
	Profit for the year	30,754.40	25,291.89
	Other Comprehensive Income		
	Re-measurement gain on defined benefit plans (net of tax)	(167.46)	(52.19)
	Dividend paid	(9,812.88)	(2,803.68)
	Dividend Distribution Tax	(2,017.07)	(576.30)
		94,773.24	**76,016.25**
	Total Other Equity (a+b+c+d+e+f+g)	**1,69,981.02**	**1,51,340.53**

(₹ in Lakhs)

Distribution made and proposed	As at 31-03-2020	As at 31-03-2019
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31st March, 2019: ₹ 9.00 per share (for the year ended 31st March, 2018: ₹ 6.00 per share)	4,205.52	2,803.68
Dividend distribution tax	864.46	576.30
	5,069.98	**3,379.98**
Interim dividend for the year ended 31st March, 2020: ₹ 12.00 per share (for the year ended 31st March, 2019: ₹ Nil per share)	5,607.36	-
Dividend distribution tax	1,152.61	-
	6,759.97	**-**
Final Dividend for the year ended 31st March, 2020: ₹ Nil per share (for the year ended 31st March, 2019: ₹ 9.00 per share)	-	4,205.52
Dividend distribution tax	-	864.46
	-	**5,069.98**

Proposed dividends on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

11. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Long term Borrowing (refer note-a)		
External (Foreign) Commercial Borrowings (Secured)	15,717.96	-
Less:- Current maturity grouped as other current financial liability (refer note 14)	2,947.12	-
	12,770.84	**-**
Term Loan (Secured)	5,000.00	-
Less:- Current maturity grouped as other current financial liability (refer note 14)	208.33	-
	4,791.67	**-**
	17,562.51	**-**
Short term Borrowings		
Bank Overdrafts (Secured) (refer note-b)	4,435.65	-
Buyer's Credits in Foreign Currencies (Unsecured)	-	5,039.66
Short Term Loan From Banks (Unsecured)	-	1,500.00
	4,435.65	**6,539.66**
Total Borrowings	**21,998.16**	**6,539.66**
Current	4,435.65	6,539.66
Non-Current	17,562.51	-
	21,998.16	**6,539.66**

a) Long Term Borrowings are secured by - i) a first pari passu charge on entire manufacturing movable fixed assets; ii) a first pari passu mortgage and charge on immovable properties situated at Indrad, Kadi and Anjar, Kutch all in the State of Gujarat; iii) a second pari passu charge on entire current assets in the form of inventories, book-debts and all other movable assets.

External (Foreign) Commercial Borrowing of ₹ 15,717.96 Lakhs (31st March, 2019 ₹ Nil) from CITI Bank NA, Jersey branch is carrying interest @ 3M Libor plus 100 basis point. The loan is repayable in 16 quarterly instalments between 29 July, 2020 till 29 April, 2024.

Term Loan of ₹ 5,000.00 Lakhs (31st March, 2019 ₹ Nil) from HDFC Bank is carrying interest @ 3M MCLR plus 15 basis point. The loan is repayable in 24 equal quarterly instalments between 31st March, 2021 till 31st December, 2026.

b) The bank overdrafts are secured by a portion of the Company's term deposits carrying interest in the range of 7.95% p.a to 8.45% p.a. The borrowings are payable on demand.

c) At 31st March, 2020, the Company has available fund based working capital limits from consortium banks, term loan and external commercial borrowing (ECB) aggregating to ₹ 24,900.00 Lakhs (31st March, 2019: ₹ 34,100.00 Lakhs) of undrawn committed borrowing facilities.

12. INCOME TAX

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
The major component of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are :		
Consolidated Statement of Profit and Loss		
Current tax		
Current income tax	10,500.08	13,154.22
Excess provision for current tax of earlier years	(41.59)	(948.93)
Deferred tax		
Deferred tax expense	(576.17)	(442.67)
Income tax expense reported in the consolidated statement of profit and loss	**9,882.32**	**11,762.62**
OCI Section		
Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Re-measurement gain/(loss) on defined benefit plans	56.32	28.03
Net movement in cash flow hedge reserve	(53.33)	255.37
Tax credited to OCI	**2.99**	**283.40**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

a) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31st March, 2020 and 31st March, 2019:

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Accounting Profit before tax	40,636.72	37,054.51
Enacted income tax rate in India applicable to the Company	25.168%	34.944%
Tax using the Company's domestic tax rate	10,227.45	12,948.33
Tax effects of :		
Exempt Income	(1.35)	(92.62)
Deduction under chapter VIA	-	(555.61)
Non-deductible expenses	176.76	309.46
Excess provision for current tax of earlier years	(41.59)	(948.93)
Others	(478.94)	101.99
At the effective income tax rate of 31st March, 2020: 24.32% (31st March, 2019: 31.74%)	**9,882.32**	**11,762.62**

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year and re-measured its deferred tax liabilities (net) basis the rate prescribed in the said section. Accordingly, deferred tax liabilities have reduced by ₹ 1,394.03 Lakhs and the tax charge for the year have decreased by ₹ 3,135.11 Lakhs.

b) Movement in deferred tax liabilities (net) for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Opening Balance as at 1st April, 2019	Recognised in consolidated profit and loss	Recognised in other comprehensive income	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	4,177.76	(586.85)	-	3,590.91
Accrued Income taxable on realisation	-	96.55	-	96.55
	4,177.76	**(490.30)**	**-**	**3,687.46**
Tax effect of items constituting deferred tax assets:				
Expenses allowed in year of payment	(327.22)	(89.98)	-	(417.20)
Revaluation of cash flow hedges	(255.37)	-	53.33	(202.04)
Other adjustments	(4.11)	4.11	-	-
	(586.70)	**(85.87)**	**53.33**	**(619.24)**
Net deferred tax liabilities	**3,591.06**	**(576.17)**	**53.33**	**3,068.22**

Movement in deferred tax liabilities (net) for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Opening Balance as at 1st April, 2018	Recognised in consolidated profit and loss	Recognised in other comprehensive income	Closing Balance as at 31st March, 2019
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	4,516.90	(339.14)	-	4,177.76
	4,516.90	**(339.14)**	**-**	**4,177.76**
Tax effect of items constituting deferred tax assets:				
Expenses allowed in year of payment	(223.69)	(103.53)	-	(327.22)
Revaluation of cash flow hedges	-	-	(255.37)	(255.37)
Other adjustments	(4.11)	-	-	(4.11)
	(227.80)	**(103.53)**	**(255.37)**	**(586.70)**
Net deferred tax liabilities	**4,289.10**	**(442.67)**	**(255.37)**	**3,591.06**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

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

During the year ended 31st March, 2020 and 31st March, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence, dividend distribution tax paid is charged to equity.

13. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Total outstanding dues of micro enterprises and small enterprises	619.39	645.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,776.10	28,545.35
	26,395.49	**29,190.48**
Above includes:		
Payable to related parties	3,130.84	2,529.80

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development (MSMED) as at 31st March 2020. The disclosure pursuant to the said Act is as under:

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
i) Amounts remaining unpaid as at year end towards		
Principal	619.39	645.13
Interest	37.56	2.83
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	37.56	2.83
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

14. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Financial liabilities at fair value through OCI		
Cash flow hedges		
Currency and interest rate swaps	68.36	730.80
Financial liabilities at fair value through profit or loss		
(Derivatives not designated as hedges)		
Foreign exchange forward contracts	-	429.44
Other financial liabilities at amortised cost		
Current maturity of Long Term Borrowings (refer note 11)	3,155.45	-
Interest Accrued but not due	233.58	13.46
Payables in respect of capital goods	5,568.11	2,868.32
Unpaid dividend#	133.08	120.24
Lease liabilities	1,091.36	-
Other miscellaneous liabilities	263.49	154.53
	10,513.43	**4,316.79**
Current	9,436.09	3,585.99
Non-Current	1,077.34	730.80
	10,513.43	**4,316.79**

not due for credit to "Investors Education and Protection Fund"

Fair value disclosures for financial liabilities (refer note 33.1)

15. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Contract liability (Advance from customers)	16,518.00	7,362.88
Statutory dues payable	805.05	1,199.72
Other miscellaneous liabilities	3,644.87	310.97
	20,967.92	**8,873.57**

16. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
Compensated absences	289.48	273.83
Gratuity (refer note-25)	277.93	216.40
	567.41	**490.23**
Current	567.41	490.23
Non-Current	-	-
	567.41	**490.23**

17. CURRENT TAX LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Income tax (net of advance tax)	30.90	35.40
	30.90	**35.40**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

18 REVENUE FROM CONTRACTS WITH CUSTOMERS

18.1 Disaggregated revenue information

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Type of goods or service		
Sale of steel tubes and pipes	2,52,216.91	2,69,691.79
Sale of power generated from windmills	643.51	686.13
Sale of services	2,424.19	3,102.72
Revenue from contracts with customers	**2,55,284.61**	**2,73,480.64**
Other operating revenue	3,029.34	2,009.68
Total revenue from operations	**2,58,313.95**	**2,75,490.32**
Sales of steel tubes and pipes		
In India	2,01,464.42	2,13,651.04
Outside India	50,752.49	56,040.75
	2,52,216.91	**2,69,691.79**
Sale of power generated from windmills		
In India	643.51	686.13
Sale of Services		
In India	2,424.19	3,102.72
Total revenue from contracts with customers	**2,55,284.61**	**2,73,480.64**
Timing of revenue recognition		
Goods and services transferred at a point in time	2,55,284.61	2,73,480.64
Total Revenue from contracts with customers	**2,55,284.61**	**2,73,480.64**

18.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Trade receivables	37,018.34	46,206.87
Contract liabilities (Advance from customers)	16,518.00	7,362.88

In March 2020, ₹ 21.88 Lakhs (March 2019: ₹ 23.70 Lakhs) was recognised as provision for expected credit losses on trade receivables.

Contract liabilities (Advance from customers) include short-term advances received from customers against supply of Steel Tubes & Pipes. The outstanding balances of these accounts increased in 2019-20 due to performance obligations to be satisfied in upcoming years.

Set out below is the amount of revenue recognised from :-

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Amounts included in Contract liabilities (Advance from customers) at the beginning of the year	7,113.74	8,202.23

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

18.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Revenue as per contracted price (net of taxes)	2,59,119.26	2,76,255.68
Adjustments :-		
Provision for late deliveries, sales return etc.	(3,834.65)	(2,775.04)
Revenue from contract with customers	**2,55,284.61**	**2,73,480.64**

18.4 Performance obligation

Information about the Company's performance obligations are summarised below:

Steel tubes and pipes

The performance obligation is satisfied upon delivery of the goods and control thereof is assumed by the customers and payment gets due as contractually agreed, generally ranging within 0 to 180 days from delivery, backed up by financials arrangements in certain cases.

Power generated from windmills

The performance obligation from windmills is recognised on unit generation basis, in accordance with the terms of power purchase agreements.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2020 are as follows:

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Within one year	1,37,315.68	1,46,576.52
More than one year	1,297.24	-
	1,38,612.92	**1,46,576.52**

19. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Interest income on		
Bank deposits	922.06	62.22
Others	511.38	507.42
Other non-operating income		
Fair value gain on financial instruments at fair value through profit and loss	1,193.81	0.81
Profit on Sale/Discard of property, plant and equipment (net)	1.81	-
Excess provision/liabilities no longer payable written back	446.28	143.95
Dividend income on current investments	5.36	265.04
Foreign exchange fluctuation (net)	2,823.93	2,804.92
Miscellaneous income	279.01	338.28
	6,183.64	**4,122.64**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Opening inventory	29,951.57	32,596.79
Add: Purchases	1,96,054.22	1,91,083.91
	2,26,005.79	**2,23,680.70**
Less: Closing inventory	50,987.82	29,951.57
Cost of raw materials and components consumed	**1,75,017.97**	**1,93,729.13**

21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Inventories at the end of the year		
Work in process	27,977.34	19,903.94
Finished goods	3,082.65	5,768.72
	31,059.99	**25,672.66**
Inventories at the beginning of the year		
Work in process	19,903.94	21,099.70
Finished goods	5,768.72	1,246.93
	25,672.66	**22,346.63**
(Increase)/Decrease In Inventory		
Work in process	(8,073.40)	1,195.76
Finished goods	2,686.07	(4,521.79)
	(5,387.33)	**(3,326.03)**

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Salaries, wages and bonus	12,760.80	11,247.96
Contribution to provident and other funds (refer note-25)	670.89	655.18
Gratuity expense (refer note-25)	188.55	169.57
Staff welfare expenses	929.26	836.25
	14,549.50	**12,908.96**

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Interest on debts and borrowings	1,445.94	666.49
Interest on income tax	23.21	103.93
Interest on lease liabilities	57.83	-
Interest others	34.73	174.52
Bank charges	534.56	531.79
	2,096.27	**1,476.73**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

24. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Consumption of stores & spares	7,456.89	6,551.05
Freight & transport charges	10,171.53	11,800.88
Power & fuel	3,987.51	4,021.03
Labour & processing charges	3,613.23	3,849.08
Repairs and maintenance:		
Plant and machineries	775.10	812.22
Buildings	125.40	162.77
Others	62.21	62.03
Testing and inspection charges	224.09	145.29
Legal & consultancy charges	932.05	438.28
Traveling & conveyance expenses	567.66	517.74
Insurance	485.49	387.32
Rent	-	190.53
Expense relating to short-term leases (refer note-26 a)	250.86	-
Rates & taxes	308.87	397.09
Advertisement & other expenses	98.71	108.54
Sales commission	345.36	252.25
Loss on Sale/Discard of property, plant and equipment (net)	-	2.78
Provision for doubtful debts/Expected credit loss for trade receivables	38.80	23.70
Bad debts written off	23.78	27.78
Provision for doubtful debts utilised	(23.78)	(27.78)
Charity and donations (refer note-a)	369.66	242.31
Directors' sitting fees	20.80	11.49
Miscellaneous expenses (refer note-a)	1,899.40	1,550.89
	31,733.62	**31,527.27**
a) Other expenses include ₹ 488.34 Lakhs (P.Y. ₹ 432.66 Lakhs), spent towards various activities relating to Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013, details of which are as under:		
Details of Corporate Social Responsibility :-		
1. Gross amount required to be spent during the year	532.78	442.05
2. Amount spent during the year :-		
i) Construction/acquisition of any asset	160.00	195.00
ii) On purposes other than (i) above	328.34	237.66
	488.34	**432.66**
3. Amount unspent during the year	44.44	9.39
	44.44	**9.39**
	532.78	**442.05**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

25. EMPLOYEE BENEFITS EXPENSES

A. Defined contribution plans:

Amount of ₹ 670.89 Lakhs (31st March, 2019: ₹ 655.18 Lakhs) is recognised as expenses and included in note no. 22 "Employee benefits expense".

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Provident Fund	304.37	273.03
Contributory Pension Scheme	278.39	254.52
Superannuation Fund	87.59	127.11
Gujarat Labour Welfare Fund	0.54	0.52
	670.89	**655.18**

B. Defined benefit plans:

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

31st March, 2020: Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	01st April, 2019	Cost charged to consolidated Statement of Profit and Loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	31st March, 2020
		Service cost	Net interest expense	Sub-total included in Consolidated Statement of Profit and Loss (note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity											
Defined benefit obligation	2,713.92	171.70	211.41	383.11	(134.41)	-	241.50	(10.11)	231.39	-	3,194.01
Fair value of plan assets	2,497.52	-	194.56	194.56	-	(7.60)	-	-	(7.60)	216.40	2,916.08
Benefit liability	216.40	171.70	16.85	188.55	-	7.60	241.50	(10.11)	223.79	(216.40)	277.93
Total benefit liability	**216.40**	**171.70**	**16.85**	**188.55**	**-**	**7.60**	**241.50**	**(10.11)**	**223.79**	**(216.40)**	**277.93**

31st March, 2019: Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	1st April, 2018	Cost charged to Consolidated Statement of Profit and Loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	31st March, 2019
		Service cost	Net interest expense	Sub-total included in Consolidated Statement of Profit and Loss (note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity											
Defined benefit obligation	2,369.35	159.76	185.99	345.75	(77.40)	-	12.94	63.28	76.22	-	2,713.92
Fair value of plan assets	2,244.38	-	176.18	176.18	(44.01)	4.00	-	-	4.00	124.97	2,497.52
Benefit liability	124.97	159.76	9.81	169.57	-	(4.00)	12.94	63.28	80.22	(124.97)	216.40
Total benefit liability	**124.97**	**159.76**	**9.81**	**169.57**	**-**	**(4.00)**	**12.94**	**63.28**	**80.22**	**(124.97)**	**216.40**

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For the year ended 31st March, 2020 (Contd.)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows: (₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Insurance funds	2,916.08	2,497.52
(%) of total plan assets	100%	100%

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

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Discount rate	6.84%	7.85%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.84%	7.85%
Employee turnover rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption is as shown below:

(₹ in Lakhs)

Particulars	Sensitivity level	As at 31-03-2020	As at 31-03-2019
Discount rate	1% increase	(253.20)	(200.07)
	1% decrease	299.44	235.52
Salary increase	1% increase	292.99	232.68
	1% decrease	(252.85)	(201.44)
Employee turnover	1% increase	(26.88)	(5.11)
	1% decrease	30.52	5.66

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Within the next 12 months (next annual reporting period)	658.34	666.58
Between 2 and 5 years	844.76	442.31
Beyond 5 years	5,476.26	5,354.72
Total expected payments	**6,979.36**	**6,463.61**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31-03-2020 Years	As at 31-03-2019 Years
Gratuity	17	17

The followings are the expected contributions to planned assets for the next year: (₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Gratuity	357.67	330.75

26. COMMITMENTS AND CONTINGENCIES

a) Leases :-

Operating lease commitments — Group as lessee

The Group has entered into lease contracts for office premises, land, guest house and other properties on lease, with lease terms between one to nine years. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office premises, land and other properties with lease terms of 12 months or less with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

(₹ in Lakhs)

Particulars	Leasehold land	Office premises	Total
Recognition on initial application of Ind AS 116			
Additions	-	1,102.51	1,102.51
Depreciation expense	3.08	87.52	90.60
As at 31st March, 2020	**39.49**	**1,079.90**	**1,119.39**

Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

(₹ in Lakhs)

Particulars	Lease Liabilities
Additions on account of adoption of Ind AS 116 (On 1st April, 2019)	81.28
Additions	1,060.65
Finance Costs incurred during the year	57.83
Payments of lease liabilities	(108.40)
As at 31st March, 2020	**1,091.36**
Current	82.38
Non-current	1,008.98

The effective interest rate for lease liabilities is 8.45 %, with maturity between 2021-2026.

The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	Year ended 31-03-2020
Depreciation and Amortisation Expenses	90.60
Interest expense on lease liabilities	57.83
Expense relating to short-term leases	250.86
Total amount recognised in statement of profit or loss	**399.29**

The Group had total cash outflows for leases of ₹ 108.40 Lakhs. The Group also had non-cash additions to right-of-use assets of ₹ 1,209.99 Lakhs and lease liabilities of ₹ 1,141.93 Lakhs.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

b) Contingent Liabilities :-

(₹ in Lakhs)

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
a)	ESI liability (excluding interest leviable, if any)	424.79	398.69
b)	Disputed statutory claims/levies for which		
	the Group has preferred appeal in respect of (excluding interest leviable, if any):		
	- Excise/Custom duty (note-i)	282.13	237.05

Note (i) Excise/Custom duty demand comprise various demands from the Excise Authorities for payment of ₹ 282.18 Lakhs (31st March, 2018 ₹ 237.05 Lakhs). The Group has filed appeals against these demands. The Group is confident that the demands are likely to be deleted and accordingly no provision for liability has been recognized in the financial statements

c) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 8,421.38 Lakhs (31st March, 2019 ₹ 14,375.69 Lakhs).

27. The Group has incurred premium expenses of ₹ 129.63 Lakhs (31st March, 2019 ₹ 139.81 Lakhs) on Key Man Insurance Policy and term plan policy of Chairman and Managing Director, Joint Managing Director and Whole-Time Director, which is included in insurance expenses.

28. During the year ended March 31, 2020 ₹ 903.78 Lakhs (March 31, 2019 ₹ 539.62 Lakhs) was recognised as an expense for inventories carried at net realisable value.

29. SEGMENT INFORMATION

The Group is engaged in manufacturing of Steel Tubes and Pipes. Considering the nature of Group's business and operations, as well as based on reviews of operating results by the chief operating decision makers to make decisions about resource allocation and performance measurement, the Group has identified "Steel Tubes and Pipes" as only reportable segment in accordance with the requirements of 'Ind AS 108 - Operating Segments'.

Secondary Reportable Segment (Geographical by Customers)

(₹ in Lakhs)

Particulars	In India	Outside India	Total
Segment Revenue			
Year ended 31-03-2020	**2,07,561.46**	**50,752.49**	**2,58,313.95**
Year ended 31-03-2019	**(2,19,449.57)**	**(56,040.75)**	**(2,75,490.32)**
Segment Assets			
As at 31-03-2020	**2,35,409.52**	**6,315.36**	**2,41,724.88**
As at 31-03-2019	(1,68,343.50)	(6,382.73)	(1,74,726.23)

30. RELATED PARTY DISCLOSURES

As required by Indian Accounting Standard - 24 "Related Parties Disclosures", the disclosure of transactions with related parties are given below :

A Relationships

(a) Key Management Personnel

Mr. Prakash M. Sanghvi – Chairman and Managing Director
Mr. Jayanti M. Sanghvi – Joint Managing Director
Mr. Shanti M. Sanghvi – Whole-time Director
Mr. Divyabhash C. Anjaria – Director
Mr. Pravinchandra M. Mehta – Director

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

Dr. Vinod M. Agrawal	–	Director
Smt. Nidhi G. Gadhecha	–	Director
Mr. Vimal Katta	–	Chief Financial Officer
Mr. Jigar Shah	–	Company Secretary

(b) Relatives of key management personnel

Mr. Manoj P. Sanghvi (Son of Mr. Prakash M. Sanghvi)

Mr. Prashant J. Sanghvi (Son of Mr. Jayanti M. Sanghvi)

Mr. Nilesh P. Sanghvi (Son of Mr. Prakash M. Sanghvi)

Mr. Jigar P. Sanghvi (Son of Mr. Prakash M. Sanghvi)

Mr. Yash S. Sanghvi (Son of Mr. Shanti M. Sanghvi)

(c) Enterprises owned or significantly influenced by key management personnel or their relatives

Ratnamani Food Products Private Limited

Ratnamani Marketing Private Limited

Ratnamani Healthcare Private Limited

Comfit Valves Private Limited

Ratnamani Techno Casts Private Limited

Shree Mahavir Education Trust.

Ratnaflex Engineering Private Limited

Laxmiraj Distributors Private Limited

Ratanakar Wire Private Limited

Aerolam Decorative LLP

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

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Rent Expense		
Ratnamani Food Products Private Limited	19.16	17.42
Ratnamani Marketing Private Limited	22.24	20.34
Purchases of goods		
Ratnaflex Engineering Private Limited	6.86	-
Laxmiraj Distributors Private Ltd.	56.84	-
Ratanakar Wire Private Ltd.	4.34	-
Aerolam Decorative LLP	0.51	-
Sales		
Comfit Valves Private Limited	8.57	48.21
Ratnamani Techno Casts Private Limited	246.62	312.94
Ratnaflex Engineering Private Limited	30.27	14.41
Ratanakar Wire Private Ltd.	6.42	-
Donation		
Shree Mahavir Education Trust	160.00	195.00

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Remuneration to Key Management Personnel and their relatives (excluding commission and sitting fees) (refer note (a) below)	955.49	846.36
Commission		
Mr. Prakash M. Sanghvi	1,550.00	1,250.00
Mr. Jayanti M. Sanghvi	930.00	750.00
Mr. Shanti M. Sanghvi	620.00	500.00
Sitting Fees		
Mr. Divyabhash C. Anjaria	6.00	3.47
Dr. Vinod M. Agrawal	5.60	3.47
Mr. Pravinchandra M. Mehta	4.80	2.96
Smt. Nidhi G. Gadhecha	4.40	1.59

Outstanding as at year end	As at 31-03-2020	As at 31-03-2019
Receivable		
Comfit Valves Private Limited	-	19.54
Ratnamani Techno Casts Private Limited	43.07	74.27
Ratnaflex Engineering Private Limited	7.88	1.51
Payable		
Ratanakar Wire Private Limited	0.63	-
Aerolam Decorative LLP	0.24	-
Mr. Prakash M. Sanghvi	1,556.70	1,257.32
Mr. Jayanti M. Sanghvi	935.26	756.56
Mr. Shanti M. Sanghvi	624.86	505.30
Mr. Manoj P. Sanghvi	2.66	2.21
Mr. Prashant J. Sanghvi	2.28	1.78
Mr. Nilesh P. Sanghvi	2.05	1.50
Mr. Jigar P. Sanghvi	1.26	1.10
Mr. Yash S. Sanghvi	0.84	0.89
Mr. Vimal Katta	3.20	2.33
Mr. Jigar Shah	0.86	0.81

Note (a) : The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on an actuarial basis for the company as a whole.

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2020 and 31st March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

31. EARNINGS PER SHARE (EPS)

Particulars		Year ended 31-03-2020	Year ended 31-03-2019
Profit for the year	(₹ in Lakhs)	30,754.40	25,291.89
Weighted average no. of shares for EPS computation for basic and diluted EPS	(Nos. in Lakhs)	467.28	467.28
Earnings per share (basic and diluted)	(₹)	65.82	54.13
Nominal value of shares	(₹)	2.00	2.00

32. HEDGING ACTIVITIES AND DERIVATIVES

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. Following are the Derivative instruments at year end not designated as hedging instrument:

Sr. No.	Particulars	31-03-2020 Amount (₹ In Lakhs)	31-03-2020 Foreign Currency (In Lakhs)	31-03-2019 Amount (₹ In Lakhs)	31-03-2019 Foreign Currency (₹ in Lakhs)	Purpose
1	Forward Contracts (USD Purchase)	466.09	USD 6.38	3,512.35	USD 50.79	Hedging of foreign currency purchase
2	Forward Contracts (USD Purchase)	-	-	5,039.65	USD 72.86	Hedging of buyer's credit in foreign currency

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedging against principal and interest repayment of external commercial borrowings. The foreign exchange forward contract balances vary with the level of expected foreign currency fluctuations and changes in foreign exchange forward rates.

The Group is holding the following foreign exchange Contracts designated as cash flow hedges:

Sr. No.	Particulars	Maturity Notional Amount (USD in Lakhs)					Purpose
		2020-21	2021-22	2022-23	2023-24	2024-25	
1	Currency and interest rate swaps	39.09	52.13	52.13	52.13	13.02	Hedging of principal and interest repayment of external commercial borrowings.

The impact of the hedging instruments on the balance sheet is as follows:

Sr. No.	Particulars	31-03-2020 Notional Amount (₹ in Lakhs)	31-03-2020 Carrying Amount (₹ in Lakhs)	31-03-2019 Notional Amount (₹ in Lakhs)	31-03-2019 Carrying Amount (₹ in Lakhs)	Line item in the balance sheet
1	Currency and interest rate swaps	USD 208.50	68.36	USD 208.50	730.80	Other financial liabilities

The impact of the hedging instruments on the statement of profit and loss for the Year Ended 31st March, 2020 is as follows:

Sr. No.	Particulars	Total hedging gain/ (loss) recognised in OCI (in Lakhs)	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss
1	Currency and interest rate swaps	68.36	-	-	-

The impact of the hedging instruments on the statement of profit and loss for the Year Ended 31st March, 2019 is as follows:

Sr. No.	Particulars	Total hedging gain/ (loss) recognised in OCI (in Lakhs)	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss
1	Currency and interest rate swaps	730.80	-	-	-

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

33. FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT

33.1 Category-wise Classification of Financial Instruments:

(₹ in Lakhs)

Particulars	Refer Note	As at 31-03-2020			
		Fair Value through Consolidated OCI	Fair Value through Consolidated Profit or Loss	Amortised cost	Carrying Value
Financial assets					
Investments in quoted mutual funds	4	-	15,483.64	-	15,483.64
Trade receivables	6	-	-	37,018.34	37,018.34
Cash and cash equivalents	7(a)	-	-	4,678.11	4,678.11
Other balances with banks	7(b)	-	-	12,732.23	12,732.23
Loans	4	-	-	39.50	39.50
Other financial assets	4	-	19.90	1,231.99	1,251.89
Total		**-**	**15,503.54**	**55,700.17**	**71,203.71**
Financial liabilities					
Borrowings	11	-	-	25,153.61	25,153.61
Trade payables	13	-	-	26,395.49	26,395.49
Derivatives	14	68.36	-	-	68.36
Lease liabilities	14	-	-	1,091.36	1,091.36
Other financial liabilities	14	-	-	6,198.26	6,198.26
Total		**68.36**	**-**	**58,838.72**	**58,907.08**

(₹ in Lakhs)

Particulars	Refer Note	As at 31-03-2019			
		Fair Value through Consolidated OCI	Fair Value through Consolidated Profit or Loss	Amortised cost	Carrying Value
Financial assets					
Investments in quoted mutual funds	4	-	20,313.30	-	20,313.30
Trade receivables	6	-	-	46,207.06	46,207.06
Cash and cash equivalents	7(a)	-	-	14,259.30	14,259.30
Loans	4	-	-	48.43	48.43
Other financial assets	4	-	-	674.23	674.23
Total		**-**	**20,313.30**	**61,189.02**	**81,502.32**
Financial liabilities					
Borrowings	11	-	-	6,539.66	6,539.66
Trade payables	13	-	-	29,190.48	29,190.48
Derivatives	14	730.80	429.44	-	1,160.24
Other financial liabilities	14	-	-	3,156.55	3,156.55
Total		**730.80**	**429.44**	**38,886.69**	**40,046.93**

33.2 Category-wise Classification of Financial Instruments:

The financial instruments are categorised in to three levels, based on the inputs used to arrive at fair value measurement as described bellow :

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

Valuation Methodology

Financial instruments are initially recognised and subsequently re-measured at fair value as described below :

The fair value of investment in quoted Mutual Funds is measured at quoted price/ NAV.

The derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

(₹ in Lakhs)

Particulars	As at 31-03-2020			As at 31-03-2019		
	Quoted price in active markets (Level 1)	Significant observable Inputs (Level 2)	Total	Quoted price in active markets (Level 1)	Significant observable Inputs (Level 2)	Total
Financial Assets						
Investments in quoted mutual funds (measured at FVTPL)	15,483.64	-	15,483.64	20,313.30	-	20,313.30
Financial Liabilities						
Foreign exchange forward contracts USD (measured at FVTPL)	-	466.09	466.09	-	8,852.00	8,852.00
Foreign exchange USD (measured at FVTOCI) - foreign currency and interest rate swap	-	15,717.96	15,717.96	-	14,422.22	14,422.22

There have been no transfers between Level 1 and Level 2 during the period. There are no instruments covered under Level 3.

(b) Financial Instruments measured at Amortised Cost

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables, bank overdrafts, investments and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

34. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include Investments, loans given, trade and other receivables and cash & term deposits that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Group's risk management is carried out by the corporate finance under policies approved by the Board of directors. The corporate finance identifies, evaluates and hedges financial risks in close co-operation with the Group's Business Heads. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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The corporate finance function reports quarterly to the Company's Audit committee, that monitors risks and policies framed to mitigate risk exposures.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions and current situation, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Consolidated Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowing. In certain cases group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit and equity for the year ended 31st March, 2020 would (decrease)/increase by ₹ 2.82 lakhs (31st March, 2019: ₹ Nil). This is mainly attributable to variable interest rates on long term borrowings.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying assets/liabilities and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's unhedged foreign currency denominated monetary items are as follows:

(₹ in Lakhs)

Particulars	Liabilities		Assets	
	As at 31-03-2020	As at 31-03-2019	**As at 31-03-2020**	As at 31-03-2019
USD	14,019.05	14,016.28	9,966.65	18,511.34
EURO	2,423.99	1,281.67	946.31	1.30
AED	-	0.05	-	-
JPY	1.15	0.52	-	-

The above table represents total exposure of the Group towards foreign exchange denominated assets and liabilities. The details of exposures hedged using forward exchange contracts are given as a part of note 32.

The Group is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

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(₹ in Lakhs)

Particulars		Impact on Profit before tax		Impact on Pre-tax Equity	
		Year ended 31-03-2020	Year ended 31-03-2019	**Year ended 31-03-2020**	Year ended 31-03-2019
a)	**USD Sensitivity**				
	RUPEES / USD – Increase by 1%	40.52	45.06	40.52	45.06
	RUPEES / USD – Decrease by 1%	(40.52)	(45.06)	(40.52)	(45.06)
b)	**EURO Sensitivity**				
	RUPEES / EURO – Increase by 1%	14.78	12.80	14.78	12.80
	RUPEES / EURO – Decrease by 1%	(14.78)	(12.80)	(14.78)	(12.80)

iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Group is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. As at 31st March, 2020, the carrying value of such instruments recognised at FVTPL amounts to ₹ 15,483.64 Lakhs (31st March, 2019 ₹ 20,313.30 Lakhs). The details of such investments in mutual funds is given in note 4.

The management expects that the exposure to risk of changes in market rates of these mutual funds is minimal.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Concentrations of Credit Risk form part of Credit Risk

During the year ended 31st March, 2020, sales to a customer approximated ₹ 44,929.56 lakhs (or 17.39 % of net revenue) and during the year ended 31st March 2019, sales to such customer approximated ₹ 56,113.84 lakhs (or 20.37 % of net revenue). Accounts receivable from such customer approximated ₹ 3,378.06 lakhs (or 9.13% of total receivables) at 31st March, 2020 and ₹ 6,048.80 lakhs (or 13.09% of total receivables) at 31st March, 2019. A loss of this customer could significantly affect the operating results or cash flows of the Group.

The Group generally extends a credit period of 0 to 180 days.

The reconciliation of ECL is as follows :

(₹ in Lakhs)

Particulars	**As at 31-03-2020**	As at 31-03-2019
Balance at the beginning of the year	209.65	213.73
Add: Allowance for the year based on ECL	38.80	23.70
Less: Utilisation for the year based on ECL	(23.78)	(27.78)
Total provision based on ECL	**224.67**	**209.65**

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

(c) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including, debt and overdraft / credit facilities from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments:

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 year	Total
Year ended 31st March, 2020				
Interest bearing borrowings	7,591.10	16,104.18	1,458.33	25,153.61
Trade payables	26,395.49	-	-	26,395.49
Derivatives	-	68.36	-	68.36
Finance lease obligation	82.38	622.13	386.85	1,091.36
Other financial liabilities	6,198.26	-	-	6,198.26
Year ended 31st March, 2019				
Interest bearing borrowings	6,539.66	-	-	6,539.66
Trade payables	29,190.48	-	-	29,190.48
Derivatives	429.44	-	730.80	1,160.24
Other financial liabilities	3,156.55	-	-	3,156.55

35. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Group estimates the amount of capital required on the basis of annual business and long term operating plans which includes capital and other strategic investments. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

As at 31st March, 2020, the Group meets its capital requirement through equity and borrowings from banks. The Group monitors its capital and debt on the basis of debt to equity ratio.

The debt equity ratio of the reporting period is as follows:

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Borrowings	25,153.61	6,539.66
Total Equity	1,70,915.58	1,52,275.09
Debt Equity Ratio	0.15	0.04

The Group's capital management amongst other things, aims to ensure that it meets financials covenants attached to borrowings.

Notes to Consolidated Financial Statements
For the year ended 31st March, 2020 (Contd.)

36. STATUTORY GROUP INFORMATION

(₹ in Lakhs)

Name of the entity in the Group	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR Lakhs	As % of consolidated profit / (loss)	INR Lakhs	As % consolidated other Comprehensive income	INR Lakhs	As % consolidated other Comprehensive income	INR Lakhs
Parent Company								
Ratnamani Metals & Tubes Limited								
Balance as at 31 March, 2020	99.94%	1,70,814.28	99.98%	30,749.68	103.10%	(292.77)	99.96%	30,456.91
Balance as at 31 March, 2019	99.94%	1,52,187.32	100.01%	25,293.21	100.00%	(520.68)	100.01%	24,772.53
Subsidiary Company								
Foreign								
Ratnamani INC USA								
Balance as at 31 March, 2020	0.06%	101.30	0.02%	4.72	-3.10%	8.81	0.04%	13.53
Balance as at 31 March, 2019	0.06%	87.77	-0.01%	(1.32)	-	-	-0.01%	(1.32)
Total								
Balance as at 31 March, 2020	100.00%	1,70,915.58	100.00%	30,754.40	100.00%	(283.96)	100.00%	30,470.44
Balance as at 31 March, 2019	100.00%	1,52,275.09	100.00%	25,291.89	100.00%	(520.68)	100.00%	24,771.21

37. IMPACT ASSESSMENT ON COVID-19 OUTBREAK

On March 24, 2020, the Government of India ordered a nationwide lockdown to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions including conditions in India because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets are fully recoverable. The Group believes that impact of COVID-19 on the Group's financial statement is not material.

38. EVENTS AFTER THE REPORTING PERIOD

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of June 16, 2020, there were no subsequent events to be recognized or reported that are not previously disclosed.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
No: 324982E/E300003

per PRITESH MAHESHWARI
Partner
Membership No. 118746

Place : Mumbai
Date : 16th June, 2020

For KANTILAL PATEL & CO
Chartered Accountants
ICAI Firm Registration
No: 104744W

per JINAL A. PATEL
Partner
Membership No. 153599

Place : Ahmedabad
Date : 16th June, 2020

For and on behalf of
RATNAMANI METALS & TUBES LIMITED

P. M. SANGHVI
Chairman and Managing Director
DIN : 00006354

J. M. SANGHVI
Joint Managing Director
DIN : 00006178

VIMAL KATTA
Chief Financial Officer

JIGAR SHAH
Company Secretary

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of the **RATNAMANI METALS & TUBES LIMITED** will be held on Thursday, 27th August, 2020 at 10:00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a) the audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2020, together with the Reports of the Board of Directors and Auditors thereon; and

b) the audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2020 and the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividend of ₹ 12/- per equity share having face value of ₹ 2/- each as a final dividend for the Financial Year ended on 31st March, 2020.

3. To appoint a Director in place of Shri Shanti M. Sanghvi (DIN: 00007955), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify the Remuneration payable to the Cost Auditors of the Company for the financial year ending on 31st March, 2021 and in this regard, 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 148 and other applicable provisions of the Companies Act, 2013 and Rule No.14 of Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad, having Firm Registration No.000028, being the Cost Auditors appointed by the Board of Directors of the Company to conduct the Cost Audit for the financial year ending on 31st March, 2021, be paid ₹ 1,20,000/- plus applicable taxes, reimbursement of travelling and out-of-pocket expenses incurred by them in connection with aforesaid audit as remuneration."

Registered Office:	**By Order of the Board**
17, Rajmugat Society,	For, **Ratnamani Metals & Tubes Limited**
Naranpura Char Rasta,	
Ankur Road, Naranpura,	
Ahmedabad - 380 013	
CIN: L70109GJ1983PLC006460	**Jigar Shah**
Date: 16th June, 2020	**Company Secretary**

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 36th Annual General Meeting (AGM) of the members will be held through VC/OAVM only. The facility of VC or OVAM and also casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL. The framework prescribed by MCA in said circulars would be available to the members for effective participation in following manner:

   a. Company is convening 36th Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.

   b. The Members can join the AGM through the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2%

or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

c. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 36th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.ratnamani.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited at www.evotingindia.com.

d. Company is providing two way teleconferencing facility for the ease of participation of the members. Link for joining the meeting is being given separately.

e. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives by sending a scanned copy of its Board Resolution to the Scrutinizer by email through its registered email address to mcguptacs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

f. Participants i.e. Members, Directors, Auditors and other eligible persons to whom this notice is being circulated are allowed to submit their queries/questions etc. before the general meeting in advance on the e-mail address of the company at jigar.shah@ratnamani.com. Further, queries / questions may also be posed concurrently during the general meeting at the above given email Id.

g. Members, Directors, Auditors and other eligible persons to whom this notice is being circulated can attend this annual general meeting through video conferencing at least 15 minutes before the schedule time and shall be closed after expiry of 15 minutes from the scheduled time.

h. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

2. **Process for those members whose email ids are not registered**:

   a) Physical members shall provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company at jigar.shah@ratnamani.com / RTA at ahmedabad@linkintime.co.in for registration of their e-mail id.

   b) Demat members shall provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to the Company at jigar.shah@ratnamani.com / RTA at ahmedabad@linkintime.co.in for registration of their e-mail id.

3. The Explanatory statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") concerning the Special Business under Item No.4 in the Notice is annexed hereto and forming part of this Notice.

4. 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.

5. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Companies Act, 2013 will be available for inspection in electronic mode up to the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to jigar.shah@ratnamani.com.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 21st August, 2020 to Thursday, 27th August, 2020 (both days inclusive) for determining the entitlement of the members for the purpose of 36th Annual General Meeting.

7. Members are requested to send their Bank Account particulars (viz. Account No., Name and Branch of the Bank and the MICR Code) in the updation form which is available in the Company's website at www.ratnamani.com to their Depository Participants in case the shares are held in electronic mode or to the Registrar and Transfer Agent in case the shares are held in physical mode. It will be also useful for ECS and also for printing the Bank Account details on the dividend warrant so that there are no fraudulent encashment of the warrants. Therefore, Members are requested to send their updation form immediately.

8. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions set out in this notice are being conducted through E-Voting, the said resolutions will not be decided on show of hands at the Annual General Meeting.

9. In terms of provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (Seven) consecutive years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th August, 2019 (date of the last Annual General Meeting) on the website of the Company at www.ratnamani.com and also on the website of the IEPF at www.iepf.gov.in.

10. Members are requested to note that the dividends not encashed for a period of 7 (Seven) consecutive years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund ("IEPF"). The details of the Unpaid Dividend lying with the Company are as follows:

(₹ In Lakhs)

Date of Declaration	Financial Year	Due for Transfer on	Unpaid Amount (as on 31st March, 2020)
12th August, 2013	2012-2013	11th September, 2020	13.44
11th September, 2014	2013-2014	10th October, 2021	14.59
23rd September, 2015	2014-2015	22nd October, 2022	16.96
12th March, 2016	2015-2016	11th April, 2023	23.38
12th September, 2017	2016-2017	11th October, 2024	22.33
9th August, 2018	2017-2018	8th August, 2025	17.02
9th August, 2019	2018-2019	8th August, 2026	22.70

Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended, all shares on which dividend has not been paid or claimed for 7 (Seven) consecutive years or more are required to be transferred to an IEPF Authority. During the F.Y. 2019-20, the Company had transferred 5,584 Equity Shares to the Investor Education and Protection Fund Authority. Further, the unclaimed dividend in respect of F.Y. 2012-13 must be claimed by members on or before 11th September, 2020, failing which the Company will be transferring the unclaimed dividend and the corresponding shares to the IEPF Authority within a period of 30 days from the said date. The concerned members, however, may claim the dividend and shares from IEPF Authority, the procedure for which is detailed in the Investors Relations section in the website of the Company.

11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to our Registrar & Transfer Agent i.e. Link Intime India Private Limited in case the shares are held by them in physical form.

13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In

view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this regard.

14. If a member has queries on "Accounts, Operation and Finance" of the Company, the same may be sent to the Company by them at least 7 days before the Annual General Meeting so that the answers are readily available at the AGM.

15. Kindly quote your Ledger Folio Number / Client I.D. / DP ID Number in all your future correspondence.

16. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective Depository Participant.

17. The Company has appointed Link Intime India Private Limited as its Registrar and Transfer Agent. Therefore, all the Members of the Company are requested to correspond directly to the R.T.A. at the following addresses in the matters relating to transfer of shares, unclaimed dividend, change of address, duplicate of shares and dematerialization of shares etc.

RTA's REGISTERED OFFICE ADDRESS	RTA's AHMEDABAD BRANCH ADDRESS
Link Intime India Pvt. Ltd. Unit: Ratnamani Metals & Tubes Ltd. C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083. Tel. No. – 022-49186000 Fax No. – 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in	Link Intime India Private Limited Unit: Ratnamani Metals & Tubes Ltd. 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC – 1), Besides Gala Business Centre, Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. Tel No. 079-26465179 Email : ahmedabad@linkintime.co.in

If shares are held in electronic form by the members, then change of address, change in bank Accounts and change in E-mail ID etc. should be furnished to their respective Depository Participants (DPs).

18. **APPEAL TO MEMBERS :**

The Company would like to appeal to its members to hold their shares in Dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat/Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat form. The members may get in touch with the Link Intime India Private Limited at ahmedabad@linkintime.co.in, our Registrar and Transfer Agent or the Company Secretary of the Company at jigar.shah@ratnamani.com for any query relating to Demat.

19. Non-Resident Indian Members are requested to inform the Link Intime 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.

20. 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 members are requested to submit their Permanent Account Number along with photocopy of both the sides of the PAN Card duly attested.

Members 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.

Members 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 and Transfer Agent at the address mentioned above.

21. 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 members of REL. It is noticed that some members have yet not exchanged their old share certificates of REL. Such members are

requested to get the same exchanged for new RMTL share certificates.

22. The Members who are holding shares having a face value of ₹ 10/- each are requested to send the original share certificates of ₹ 10/- each to the Company or the Registrar and Transfer Agent of the Company for exchange of share certificates of ₹ 2/- each.

23. **Voting:**-

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. Thursday, 20th August, 2020 only shall be entitled to vote at the General Meeting by availing the facility or remote e-voting at the General Meeting.

Voting through Electronic Means:

a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the A.G.M. For this purpose, the Company has entered into an arrangement with Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of theListing Regulation read with the MCA circulars.

c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Thursday, 20th August, 2020, may cast their vote electronically. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

d) The voting period begins on Monday, 24th August, 2020 at 10.00 A.M. and ends on Wednesday, 26th August, 2020 at 5.00 P.M. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (being the record date) i.e. Thursday, 20th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 P.M. on Wednesday, 26th August, 2020.

e) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

f) The facility for voting, through electronic voting system, shall also be made available during the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

g) **Instructions for members for remote e-voting are as under:**

a. The members should log on to the e-voting website www.evotingindia.com.

b. Click on Shareholders/Members tab.

c. Now Enter your User ID:

   a. For CDSL: 16 digits beneficiary ID;

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;

d. Members holding shares in Physical Form should enter Folio Number registered with the Company.

or

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from login myeasi using your login credentials. Once you successfully login to CDSL's **EASI/EASIEST** e-services, click on e-voting option and proceed directly to cast your vote electronically.

e. Next enter the Image Verification as displayed and Click on Login.

f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

g. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Client ID /Folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Date of Birth	• Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	• Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field.

h. After entering these details appropriately, click on "SUBMIT" tab.

i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k. Click on the EVSN for Ratnamani Metals & Tubes Limited i.e. 200714003 on which you choose to vote.

l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

q. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

r. Members can also cast their vote using CDSL's mobile app i.e. CDSL m-Voting available for iphone as well as android and windows based mobiles. The CDSL m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the the mobile app while voting on your mobile.

s. **Note for Non – Individual Members and Custodians :**

- Non-Individual members (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login

and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

t. **INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER**:-

1. The procedure for e-Voting on the day of the A.G.M. is same as the instructions mentioned above for Remote e-voting.
2. Only those members, who are present in the A.G.M. through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the members through the e-voting available during the A.G.M. and if the same members have not participated in the meeting through VC/OAVM facility , then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
5. **For Assistance / Queries for e-voting etc.**

   If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

u. **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER**:

1. Member will be provided with a facility to attend the A.G.M. through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in member/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at jigar.shah@ratnamani.com. The members who do not wish to

speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at jigar.shah@ratnamani.com. These queries will be replied to by the company suitably by email.

6. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

24. Shri Mahesh C. Gupta, Practicing Company Secretary holding Certificate of Practice No.1028 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.

25. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.ratnamani.com and on the website of CDSL at www.cdslindia.com within three days of the passing of the Resolutions at the 36th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

26. Since the 36th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No.4 of the accompanying Notice dated 16th June, 2020.

ITEM NO.4

As per the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint Cost Accountant in practice, as the Cost Auditors on the recommendation of the Audit Committee. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the Members of the Company.

On the recommendation of the Audit Committee in its meeting held on 15th June, 2020, the Board of Director at its meeting held on 16th June, 2020 has considered and approved the re-appointment of M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad, having Firm Registration No.000028 as the Cost Auditors of the Company, to conduct the Cost Audit of the Company for the financial year 2020-21 at a remuneration as mentioned in the resolution for this item of the Notice..

None of the Directors and/or Key Managerial personnel of the Company and their relatives are concerned or interested, financially, or otherwise, in the resolution set out at Item No.4 of the accompanying the Notice.

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

Registered Office:
17, Rajmugat Society,
Naranpura Char Rasta,
Ankur Road, Naranpura,
Ahmedabad - 380 013
CIN: L70109GJ1983PLC006460
Date: 16th June, 2020

By Order of the Board
For, **Ratnamani Metals & Tubes Limited**

Jigar Shah
Company Secretary

RATNAMANI
METALS & TUBES LTD.
Prosperity through Performance

REGISTERED OFFICE

17, Rajmugat Society, Naranpura Char Rasta,
Ankur Road, Naranpura, Ahmedabad-380013
CIN : L70109GJ1983PLC006460
Phone: +91-79-27415504
Email Id: info@ratnamani.com
Website : www.ratnamani.com