

**ADVANCE STEEL TUBES LIMITED**

**CIN: L24231UP1978PLC004583**

**Regd. Off.: 45/3, INDUSTRIAL AREA, SITE-4, SAHIBABAD, GHAZIABAD, U.P.201010**

**E- Mail: info@advance.co.in, Contact: 011-43041400**

**ANNEXURE TO THE NOTICE FOR THE 45<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 30<sup>TH</sup> DAY OF SEPTEMBER, 2019**

Envelope No.	
Name & Registered Address of Sole/First named Member :	
Joint Holders Name (If any) :	
Folio No. / DP ID & Client ID	
No. of Equity Shares Held	

Dear Shareholder,

**Subject: Process and manner for availing E-voting facility:**

Pursuant to Provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 company facility to the members to cast their votes electronically on all resolutions proposed to be considered at the Annual General Meeting (AGM) to be held on Monday , the 30<sup>th</sup> September, 2019 at 11.00 A.M. at 45/3, Industrial Area, Site- 4, Sahibabad, Ghaziabad, UP. 201010 and at any adjournment thereof.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The e-voting facility is available at the link <https://www.evoting.nsdl.com>.

The Electronic Voting Particulars are set out below:

<b>EVEN (Electronic Voting Event Number)</b>	<b>USER - ID</b>	<b>PASSWORD</b>
112069	1120690001007	w8w7%OMPez

The E-voting facility will be available during the following voting period:

<b>Remote e-Voting start on</b>	<b>Remote e-Voting end on</b>
27TH SEPTEMBER, 2019 AT 10:00 A.M. (IST)	29TH SEPTEMBER, 2019 AT 5:00 P.M. (IST)

Please read the instructions mentioned in the Notice of the AGM before exercising your vote.

Place: Delhi  
Date: 30.08.2019

**By Order of the Board  
Advance Steel Tubes Limited**

**Deoki Nandan Agarwal  
(Managing Director)**





# Advance Steel Tubes Ltd.

CIN : L2423IUP1978PLC004583

AN ISO 9001 : 2000 Company



Manufacturers of : 'ERW' M.S. Black & Galvanised Pipes,  
Steel Tubular Poles, Steel Structures, Metal Crash Barrier & Scaffoldings

**Sales Office :** 81, FUNCTIONAL INDUSTRIAL ESTATE, PATPARGANJ, DELHI-110092

Phones : 011-43041400 (100 Lines) Fax : 91-11-22145978

Website : [www.advance-india.com](http://www.advance-india.com), [www.advance.co.in](http://www.advance.co.in)

E-mail : [info@advance.co.in](mailto:info@advance.co.in)

## NOTICE TO THE MEMBERS

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the members of **ADVANCE STEEL TUBES LIMITED** will be held on Monday, the 30<sup>th</sup> day of September, 2019 at 11:00 A.M. at the Corporate office of the Company at 45/3, Industrial Area, Site-IV, Sahibabad to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2019 and the Profit & Loss Account for the year ended on that date, Cash Flow Statement and the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Suyash Agarwal (DIN: 07520380) who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Auditor.

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

**“RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/S S. L. Taparia & Company, Chartered Accountants (Firm Regn. No. 000540-C), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 48<sup>th</sup> AGM of the Company to be held in the year 2022.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification (s) the following resolution as Ordinary Resolution for ratification of Remuneration of Cost Auditors of the Company for the year 2019-2020:

**“RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Audit and Records) Rules, 2014 (including any statutory modification (s) of re-enactment thereof) (the act) and on the recommendation of the audit committee and approval by the Board of Directors



at their meeting on 5<sup>th</sup> September, 2019 the consent of the Company be and is hereby accorded for ratification of the remuneration to the M/s Gopinathan Mohandas & Co. Cost Accountants as the Cost Auditors of the Company for the financial year 2019-2020 on the professional charge of as may be decided by the Board & service tax as applicable to conduct the audit of the cost accounting records for all the manufacturing facilities of the Company.”

**5. Borrowing money (ies) for the purpose of business of the Company:**

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

**“RESOLVED THAT** in supersession of the Special resolution passed by the Members of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2017 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 79 crores (Rupees Seventy Nine crores only) i.e. over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

**6. Creation of security on the properties of the Company, both present and future, in favour of lenders:**

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

**“RESOLVED THAT** in supersession of the Special resolution passed by the Members of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2017 and pursuant to the

provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."



## 7. CONTINUATION OF DIRECTORSHIP AS MANAGING DIRECTOR

To approve the continuation of directorship of Mr. Deoki Nandan Agarwal (din: 00586794) as Managing Director of the company, to pass with or without modification the following resolution, which will be proposed as a special resolution:

**“RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 and (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other applicable law the continuation of Directorship of Mr. Deoki Nandan Agarwal (DIN:00586794) for the existing term of his office as the Managing Director, be and is hereby approved.”

By order of the Board  
For Advance Steel Tubes Limited



(Deoki Nandan Agarwal)  
Managing Director  
DIN: 00586794

Place: Sahibabad  
Date: 05<sup>th</sup> September, 2019

### NOTES

1. A member entitled to attend and vote is entitled to appoint a PROXY to attend and on Poll to vote instead of himself and such PROXY need not be a member of the company. PROXIES in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. Pursuant to the provisions of Section 105 of the companies Act, 2013, read with the applicable rules thereon a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights, may appoint a single person as proxy who shall not act as a proxy for any other member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The register of members and Share Transfer Books will remain closed from 24<sup>nd</sup> September 2019 to 30<sup>th</sup> September 2019 (both days inclusive) for the purpose of the Annual General Meeting and for payment of Dividend.



5. Brief Resume of Directors including those proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, number of companies in which they hold directorship and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter-se stipulated under listing regulation with the stock exchanges:

Name of Director	Date of Appointment	Qualification	Directorship in other public Limited Companies	Chairman/member of the Committee in which he is a director	Shareholding of Director of the Company
Deoki Nandan Agarwal	12/03/1979	B. E	02	02	72050
Lalit Agarwal	14/11/1987	Graduation	04	01	53140
Aashish Agarwal	17/08/2015	Graduation	02	02	30450
Jay Vilas Dubey	03/11/2011	C.A.	01	02	Nil
Naresh Chand Maheshwari	03/11/2011	C.A./C.S./PH. D.	02	02	Nil
Parveen Gupta	01/08/2015	C.A.	01	Nil	Nil
Daulat Ram Agarwala	29/09/1980	Graduation	02	Nil	40000
Suyash Agarwal	26/05/2016	Graduation	0	Nil	26700

6. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the special businesses specified above is annexed hereto.
7. All documents referred to in the Notice and accompanying explanatory Statement as well as the Annual Report are open for inspection at the registered office of the company during the normal business hour upto the date of AGM.
8. Members desiring any information about accounts or otherwise, are requested to write to the company at least 10 days in advance of the Annual General Meeting to facilitate compliance thereof.
9. Members are requested to mention their Folio Number in all their correspondence with the Company in order to facilitate response to their queries promptly.

10. Members holding shares in physical form are requested to intimate changes in their registered address in Block Letters with PIN Code of the Post Office, Email-ID, Bank particulars and Permanent Account Number (PAN) to the Company's Registrar and the Share Transfer Agent and in case of members holding their shares in electronic form, this information should be given to their depository participant immediately.

11. Members / Proxies are requested to kindly take note of the following:

- i. Copies of Annual Report will not be distributed at the venue of the meeting.
- ii. In all correspondences with the Company and / or the R & T Agent, Folio No. must be quoted.

12. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate to enable the Company to consolidate their holdings in one folio.

13. Beetal Financial & Computer Services (P) Limited is the Registrar and Share Transfer Agent of the company. All investor related to communication may be addressed to the following address:

**BEETAL FINANCIAL & COMPUTER SERVICES (P) LIMITED.**

Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre, Near Dada Harsukhdas Mandir,  
New Delhi-110 062

14. The Ministry of Corporate Affairs (MCA) has come out with Circular No. 17/2011 dated 21/04/2011 & 18/2011 dated 29/04/2011 propagation "Green Initiative" encouraging Corporate to serve documents through electronic mode. In order to above, those shareholders, who want the Annual Report in electronic mode, are requested to send their e-mail address.

15. The Securities and Exchange Board of India (SEBI) has mandated to submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding their shares in physical form can submit their PAN to the company and / or its Registrars & Share Transfer Agents.

By order of the Board  
For Advance Steel Tubes Limited



**(Deoki Nandan Agarwal)**  
Managing Director  
DIN: 00586794

**Place: Sahibabad**  
Date: 05th September, 2019



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO 4:**

Section 148 (3) of the Companies Act, 2013 read with rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof)("the act"), requires the Board to appoint an individual, who is a Cost Accountant in practice or a firm of Cost Accountants in Practice, as Cost Auditor, on the recommendations of the Audit Committee which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on 05<sup>th</sup> September, 2019 on recommendation of Audit Committee approved the appointment of M/s Gopinathan Mohandas & Co. Cost Accountants, as the Cost Auditors of the Company for the financial year 2019-2020 at a fees as decided by the board plus out of pocket expenses and service tax as applicable for conducting the audit of the cost accounting records of the manufacturing facilities of the Company.

The resolution contained in Item No. 4 of the accompanying Notice, accordingly seek members' approval for ratification of remuneration of Cost Auditors of the Company for the Financial year 2019-2020.

None of the Directors/Key managerial personnel of the Company/ their relatives are, in any way, concerned or interested financially or otherwise in the ordinary resolution set out at Item No.4 of the Notice.

The Board recommends this resolution for your approval.

**ITEM NO. 5 & 6**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may needs additional funds. For this purpose, the Company may require finance from various banks or financial institution and or lending institutions or Bodies corporates or individuals or such other persons as may deem fit by Company together with money already borrowed by the Company (apart from temporary loans obtained from the Company from ordinary course of business) may exceed the aggregate of paid up capital and free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits upto Rs.79,00,00,000/- ( Rupees Seventy Nine Crore only) , Pursuant to section 180(1)(c) of the Companies Act,2013 , Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power of Board of Directors to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting. The Board recommends these resolutions for the approval of the members as Special Resolutions.

Therefore, Board recommends Special Resolution for your Approval.





None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution of item No. 5 & 6.


**Item No. 7**

As per the provisions of the Companies Act, 2013, and other applicable laws, if any, approval of the shareholders by way of a special resolution is required for continuation of directorship of the Managing Director of the Company who have attained the age of 70 years. Our Managing Director, Mr. Deoki Nandan Agarwal have attained the age of 70 years on 29<sup>th</sup> May, 2019. He is an Engineer by profession. He has varied and extensive experience of around 45 years in Financial, Banking and Project Financing with expertise in Insurance and had served as Chairman cum Managing Director of Advance Steel tubes Limited. The brief resume of the aforesaid director is part of the notice of the meeting. The incumbent is in good physical condition and of sound and alert mind and the Board is confident about him being able to function and discharge his duties in an able and competent manner. Considering their seniority, expertise and vast experience in the respective fields, which has benefited the Company immensely, the Board recommends their continuation as the Managing Director.

Except Mr. Deoki Nandan Agarwal and his relatives none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolutions.

By order of the Board  
For Advance Steel Tubes Limited



  
(Deoki Nandan Agarwal)  
Managing Director  
DIN: 00586794

Place: Sahibabad  
Date: 05<sup>th</sup> September, 2019

## Attendance Slip of Annual General Meeting

### ATTENDANCE SLIP

**45<sup>th</sup> Annual General Meeting, 30<sup>th</sup> September, 2019, 11:00 A.M.**

Regd. Folio No. \_\_\_\_\_ / DP ID \_\_\_\_\_ Client ID/Ben. A/C \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the (No. of Meeting) Annual General Meeting of the Company on 30<sup>TH</sup> Day of September, 2019 at 11:00 PM. at 45/3, Industrial Estate, Site- IV, Sahibabad, Ghaziabad- 201010

\_\_\_\_\_  
\_\_\_\_\_

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.



Form No.  
MGT-11  
Proxy form

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

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

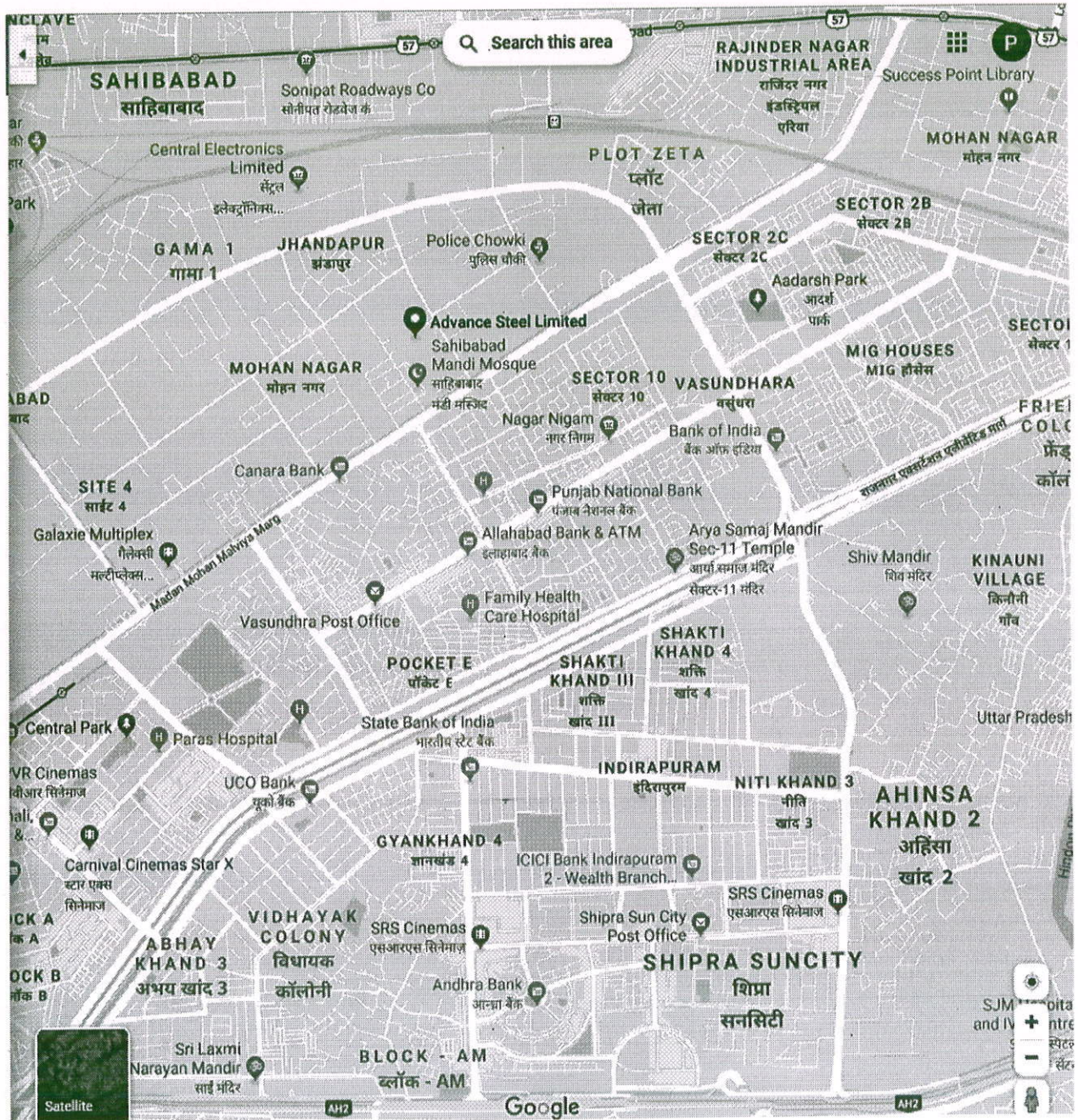
I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	
Name :	E-mail Id:
Address:	
Signature , or failing him	
Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the company, to be held on the 30<sup>th</sup> Day of September, 2019 at 11:00 A.M. at Uttar Pradesh and at any adjournment thereof

Signature:  
Member  
Folio No.





## DIRECTORS' REPORT

### TO THE MEMBERS OF ADVANCE STEEL TUBES LIMITED

The Directors have pleasure to present their 45<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2019.

#### FINANCIAL RESULTS

	Year ended 31 <sup>st</sup> March 2019 (Rs In lacs)	Year ended 31 <sup>st</sup> March 2018 (Rs. In lacs)
Total Revenue from operations	1,24,27,17,273	85,49,49,498
Other income	4,65,34,582	1,52,62,661
Total Revenue	1,28,92,51,855	87,02,12,159
Profit Before Tax and Extraordinary Items	5,20,12,272	63,92,727
Less: Exceptional/Extraordinary Items- Provision for CSR	-	-
Profit after Extraordinary Items but before tax	5,20,12,272	63,92,727
Current Year Tax	58,84,219	5,92,722
MAT Credit Entitlement	(10,80,158)	(3,53,757)
Deferred Tax	18,12,348	9,84,172
Current Tax Expense relating to prior years	(40,203)	3,02,535
Net Profit After Tax	4,54,36,066	48,67,055
Dividends		
Interim Dividend	-	-
Final Dividend (Proposed)	-	-
Tax on Dividend	-	-
Tax on Dividend for Earlier Year	-	-
Transferred to General Reserve	-	-
Balance Carried Forward to Balance Sheet	4,54,36,066	48,67,055
EPS( Basic)	61	7
(Diluted)	61	7

#### DIVIDEND

Your Directors have not recommended any dividend to the Shareholders of the Company and decided to plough back the profits of the company.



## **TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, no unclaimed dividend relating to the Financial Year 2018 is due for remittance onto the Investor Education and Protection Fund established by the Central Government.

## **RESERVES**

The Board proposes to carry Rs 4,75,00,000/- to General Reserves.

## **OPERATING & FINANCIAL PERFORMANCE**

Total Revenue for financial year 2018-2019 stood at Rs. 1,24,2,17,273/-. Profit & Loss for the period stood at Rs. 4,54,36,066/-. The Market conditions in the year were challenging.

## **MEETINGS OF BOARD**

During the year under review Board met 9 times on 30/05/2018, 03/07/2018, 13/08/2018, 03/09/2018, 13/11/2018, 15/01/2019, 13/02/2019, 14/03/2019, 30/03/2019 and the maximum gap between any two meetings did not exceed 120 days as stipulated under Section 173(1) of Companies Act, 2013.

## **REMUNERATION POLICY**

The Board on the recommendation of the Nomination & Remuneration committee has framed a policy for selection and appointment of Directors, Senior Management and to fix their remuneration. The Company's remuneration policy is available on the Company's website at [www.advance.co.in](http://www.advance.co.in) and forms part of Directors report as Annexure-1

## **DIRECTORS' RESPONSIBILITY STATEMENT {AS PER ANNEXURE GIVEN IN THE CSR RULES, 2014:-**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a) in the preparation of the annual accounts for financial year ended 31st March, 2019, the applicable accounting standards have been followed and there is no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and profit or loss of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2019 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 system were adequate and operating effectively.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify their appointment as an Independent Director under the provisions of Section 149 of the Companies Act, 2013 as well as Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board confirms that all the Independent Directors meets the criteria provided under Section 149 of the Companies Act, 2013 as well as Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS**

The Board of Directors declare that the Independent Directors Mr. Naresh Chand Maheshwari and Mr. Jay Vilas Dubey and Mrs. Parveen Gupta:

- a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience.
- b) (i) are /were not a promoter of the Company or its holding, subsidiary or associate Company;  
(ii) are / were not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- c) Have/had not any pecuniary relationship with its holding, subsidiary, or associate Company or their promoters or directors, during the two immediately preceding financial year or during the current financial year;
- d) None of their relatives has / had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) neither themselves nor any of their relatives-
  - (i) Hold / has held the position of key managerial personnel or is/are or has been employee of the Company or its holding, subsidiary or associate Company in any or the three financial years immediately preceding the year in which he is proposed to be appointed as Independent Director;
  - (ii) Is/ are or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of-
- (A) A firm of Auditors of Company Secretaries in Practice or Cost Auditors or the Company or its holding, subsidiary or associate Company; or



- (B) Any legal or consulting firm that has or had any transaction with the Company or its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
- (iii) Holds together with their relative two percent or more of the voting power of the Company; or
- (iv) Is/are a Chief Executive Officer or Director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the company; or
- (v) Are possessing such other qualification as may be prescribed.

### **CORPORATE GOVERNANCE**

Report on Corporate Governance along with the certificate thereon as obtained thereon from M/s S.L. Taparia And Company, Chartered Accountants is separately attached as Annexure-2 and forms part of the Directors' Report.

### **PERFORMANCE EVALUTION**

The Nomination & Remuneration Committee of the Company formulated and laid down the criteria for performance evaluation of the Board including the Committee and the individual director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner of performance evaluation followed by the Board is provided in Corporate Governance Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE**

The information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo, as required under Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given as per Annexure - 4" and forms part of Board's Report.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There is no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

- (i) There is no Disposal of substantial part of the Undertaking;
- (ii) No Change has been taken place in the Capital Structure;
- (iii) No serious breakdown has happened in the Financial Year;
- (iv) There is no Alteration in wage structure arising out of trade union negotiations;
- (v) There is no Material change occur concerning purchase of raw materials and sale of products etc.





## **SUBSIDIARY/ JOINT VENTURE/ ASSOCIATES**

The Company had no subsidiary or associate Company during the financial year. In accordance with Section 129(3) of the Companies Act, 2013, the Company is not required to prepare a consolidated financial Statement as a part of the Annual Report. In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the annual report of the Company, containing therein its standalone financial statement has been placed on the website of the Company [www. advance.co.in](http://www.advance.co.in).

## **SHARE CAPITAL**

The paid up share capital of the Company as on March 31, 2019 was Rs. 7,400,000/-. During the year under review the Company has not issued and shares or any convertible instruments.

## **STATUTORY AND LEGAL MATTERS**

There has been no significant and/or material order(s) passed by any regulators/Courts/Tribunals impacting the going concern status and the Company's Operations in future.

## **RISK MANAGEMENT POLICY IMPLEMENTATION**

In today's economic environment, risk management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. To our company's risk management is embedded in the business processes. Your Company has identified the following risks:-

- 1. Human Resource Risk :-** Your Company's ability to deliver value is always dependent on its ability to attract, retain and nurture talent, attrition and non-availability of the required talent resource can affect the overall performance of the Company.- mitigation plans: By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent.
- 2. Competition Risk :-** Your Company is always exposed to Competition risk from Asian Countries. The increase in competition can create pressure on margins, market share etc., Mitigation Plans:- By continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, Cost, timely delivery and customer service. By introducing new product range commensurate with demands your Company plans to mitigate the risks so involved.
- 3. Compliance Risk: -** Any default can attract penal provisions, Mitigation Plans:- By regularly monitoring and reviewing of changes in regulatory framework. By monitoring of compliance Management tools and regular internal audit.



## **CORPORATE SOCIAL RESPONSIBILITY**

The Company have developed the CSR Policy which have been approved by the Board for spending of the CSR amount kept aside for the purpose under the relevant rules under Companies Act, 2013. However, the Company did not managed to spend the amount in the years in which those have been appropriated and need to spend.

Further, the Company have found suitable agency for spending of appropriation of CSR.

Prescribed CSR Expenditure (2% of the average net profits of Last three Financial years) was Rs. 29,50,983/- for the f.y. 2014-2015, 2015-2016 and 2016-2017 that have been spend in the f.y. 2018-2019 through the Contibution towards a initiative of "Ram Bajaj Foundation" in their project namely, "Shiksha Ki Unchi Udaan" the details of which will be provided in the coming years' Annual General Meeting.

The annual report on CSR (CSR activities pursuant to Section 135 is annexed to the Board's Report as **Annexure -3.**

## **DIRECTORS**

The Board consists of executive and Non-Executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of the Companies Act, 2013 Mr. Suyash Agarwal, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

## **KEY MANAGERIAL PEROSNNEL**

Mr. Vatsal Agarwal is the CFO of the Company. Mrs. Parul Mishra is the Company Secretary and Compliance Officer and KMP under Section 203 of the Companies Act, 2013. Mr. Deoki Nandan Agarwal is the Managing Director of the company.

## **EXTRACTS OF ANNUAL RETURN AND OTHER DISCLOSURES UNDER SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014**

The extract of Annual Return in Form No. MGT-9 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014 as 'Annexure- 5' and Particulars of Contracts or arrangements with related parties referred to Sub-section (1) of Section 188 of the Companies Act, 2013 in 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 as 'Annexure- 6' duly certified by the Practicing Company Secretary is annexed hereto and forms part of this report.



**PARTICULARS OF EMPLOYEES EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. Rs.1,02,00,000/- P.A. OR RS. 8,50,000/- PER MONTH.**

There is no such employee in the Company who is in receipt of remuneration of more than Rs.1,02,00,000/- p.a. or Rs. 8,50,000/- per month.

**DISCLOSURE OF DIRECTORS REMUNERATION**

The disclosure as required to be given for Directors Remuneration provided under Section 197(12) read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as following:

Name of Directors	Ratio of remuneration of each Director to the median remuneration of the employees	Percentage Increase in Remuneration of Each Director/ CFO/CEO/Secretary	Percentage Increase in the Median Remuneration of Employees in the Financial Year	The explanation on the relationship between avg. increase in remuneration and Company Performance	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	Comparison of each remuneration of KMP against the performance of the company
Shri Deoki Nandan Agarwal	6.28	No Increment	10%	There was no increment in the salary of MD and is commensurate with the company's profit and approved by shareholders and board	No Increase in Managerial Remuneration have been made during the last Financial Year	The Performance of the company is progressive and the remuneration of KMP are under the prescribed limits and feasible to the Company Performance

**AUDITORS AND THEIR REPORT**

Comments of the Auditors in their report and the notes forming part of the accounts, are self-explanatory and need no comments. During the year under review, the Auditors need not to be routed as they have not completed the tenure of three years.

Your Directors request that ratification of the appointment of M/s S.L. Taparia & Co., Chartered Accountants. The Company has received a certificate from the Auditors to the effect that their ratification, if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.



## **SECRETARIAL AUDIT AND THE APPOINTMENT OF SECRETARIAL AUDITORS**

The Company has appointed M/s Yashwant Gupta & Associates, Company Secretaries to hold office of the Secretarial Auditors and to conduct the Secretarial Audit and the Secretarial Audit Report is being attached with the Directors' Report and is self-explanatory and needs no comments.

## **COST AUDITORS AND THEIR REPORT**

Comments of the Cost Auditors in their report are self-explanatory and needs no comments. M/s Gopinathan Mohandas & Co., the Company's Cost Auditors was appointed for the year 2018-2019 and has already obtained approval of the Central Government. The Company has received a certificate from the Cost Auditors to the effect that their re-appointment is in accordance with Section 141 of the Companies Act, 2013.

## **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on Corporate Governance is enclosed to the Board's Report.

## **BUSINESS RESPONSIBILITY REPORT**

As stipulated under the Listing Agreement, the Business Responsibility report describing the initiatives taken by the Company from environmental, social and governance perspective is attached as part of the Annual Report.

## **PROVISIONS FOR SEXUAL HARRASEMENT**

The provisions of the sexual harassment of the women at the work place (Prevention, Prohibition and redressal) Act, 2013 is not attracted on the Company. However the Company has a voluntary policy towards prevention of sexual harassment of Women employees of the Company and has set up a mechanism for registering a prompt disposal of complaints received from all permanent and temporary employees and staffs.

## **CAUTIONARY NOTE**

The statements forming part of the Directors' Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances, achievements that may be expressed or implied by such forward looking statements.

## **GENERAL**

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



1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on Behalf of the Board**

**Place: Sahibabad**

**Date: 05/09/2019**

  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

  
**Lalit Agarwal**  
Director  
DIN: 00109920

## **ANNEXURES TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY TREND AND DEVELOPMENT**

The global economy witnessed a marked slowdown emerging economies as well as developed countries showed less than anticipated growth rate. In Domestic markets macroeconomic conditions showed signs of improvements, there was marginal increase in the GDP growth, with inflation falling within satisfactory levels, improved market sentiment post elections and Rupee remaining stable throughout the year. However, the South Indian markets showed very slow sign of progress especially in the Steel Products industry. The economic scenario was quite challenging last year however the Company achieved better than expected results.

#### **OPPORTUNITIES AND THREATS**

The overall steel pipe demand is estimated to grow at the rate of 6% in 2019 the consumption growth may go beyond 6% if investment is made in the infrastructure segments, with the gradual reduction in the fiscal deficit and consumer price index. The company's continued focus on cost reduction, its trust on increasing the sale of its products and various other customer excellence initiatives should help in presenting improved performances.

#### **OUTLOOK**

The Company is operating with focused efforts on cost control, reduction in cycle times, economies of scale, improvement on operational efficiency and efficient Working Capital Management Program. This has helped the Company in controlling costs and also to be competitive. Timely delivery has reaffirmed the self-dependable image created by the Company in the market.

#### **RISK AND CONCERN**

Financial charges in the form of interest is a massive matter of concerns for our Company as we are paying a substantial part of our profit in the form of our financial cost. Company is utilizing numerous bank facilities and consequently our financial cost is on the higher side. Serious efforts are required to bring it down. The prices of raw material and its volatility always have an impact. Inflation element also affects the Company in adverse manner as it is major factor responsible for hike in cost of elements of production viz .power & fuel, employees etc.

#### **INTERNAL CONTROL SYSTEM**

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The company has effective system in place for achieving efficiency in operations, optimum and affective utilization of resources, monitoring thereof and compliance with applicable laws.



## **HUMAN RESOURCE DEVELOPMENT**

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is working continuously to create and nurture an atmosphere which is highly motivated and result oriented.

## **FINANCIAL PERFORMANCE**

The financial performance of the Company for the year under review is discussed in detail in the Director's Report.

## **CAUTIONARY STATEMENT**

Statements made in this Management Discussion and analysis describing the Company's current position and expectations for the future may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include the downtrend in the industry global domestic or both, significant changes in political or economic environment in India.

**Place:** Sahibabad

**Date:** 05/09/2019

**For and on Behalf of the Board**

  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

  
**Lalit Agarwal**  
Director  
DIN: 00109920

## Annexure-1

# NOMINATION & REMUNERATION POLICY OF ADVANCE STEEL TUBES LIMITED

### Introduction

The Company considers human resources as its invaluable assets. This policy on Nomination & Remuneration of Directors, Key Managerial Personnel (KMP) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to equitable remuneration to Directors, Key Managerial Personnel (KMP) and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

### Objective

The key objectives of the Committee would be:

- (a) To guide the board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and senior management.

### Definitions

- “Board” means Board of Directors of the Company.
- “Company” means Advance Steel Tubes Limited.
- “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.
- “Key Managerial Personnel” means
  - (i) CEO or the Manager or the Managing Director of the Company
  - (ii) Company Secretary
  - (iii) Whole- Time Director
  - (iv) CFO
  - (v) Such other officer as may be prescribed
- “Nomination & Remuneration Committee” shall mean a Committee of the Board of Directors of the company, constituted in accordance with the provision of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- “Policy or this Policy” means Nomination & Remuneration Policy.
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income- Tax Act, 1961.
- “Senior Management” mean personnel of the Company who are the members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.





## **POLICY FOR APPOINTMENT OF DIRECTORS, KMPs, AND SENIOR MANAGEMENT**

### **Appointment Criteria and qualification**

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level recommend to the Board his/her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

### **Term/Tenure**

1. Managing Director/Whole- Time Director/Manager (Managerial personnel):- The Company shall appoint or reappoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
2. An Independent Director shall hold office for a term up to five consecutive years on the board of the Company and will be eligible for re-appointment on passing of special resolution by the Company and such appointment in the board's Report. No independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
3. A whole- Time KMP of the company shall not hold office in more than one Company except in its subsidiary company at the same time.

### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and senior management at regular interval.

## **POLICY RELATING TO REMUNERATION FOR DIRECTORS, KMPs AND OTHER EMPLOYEES**

### **General**

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration & commission paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

## Annexure-2

### **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

In accordance with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI LISTING REGULATIONS') read with the disclosure requirements relating to the corporate governance report contained in schedule V of the SEBI Listing Regulations which came into force from December 1, 2015 and clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange in India, the details of Compliance by the Company with the Norms on Corporate Governance are as under

#### **COMPANY'S PHILOSOPHY**

The Company aims at not only its own growth but also maximization of the benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the Company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations. We at Advance Steel Tubes Limited, are committed to good corporate governance and its adherence to the best practices of true spirits at all times. Our corporate governance philosophy rests on five basic tenets viz., Board's Accountability, Value Creation, Strategic Guidance' Transparency and equitable treatment to all stakeholders.

#### **ETHICS POLICY**

We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. Therefore, we have adopted various codes and policies to carry out our duties in ethical manner. Some of these codes and policies are:

- Code of Board of Directors and Board Committees
- Code of Business Conduct and Ethics for Directors/Management Personnel
- Code of Conduct for prohibition of Insider Trading

#### **BOARD OF DIRECTORS**

##### **Composition of Board and Category of Directors**

As on 31<sup>st</sup> March, 2019 the Company's Board consists of Seven Directors having considerable professional experience in their respective fields. Out of them three are Independent Directors Four are Non-Executive Directors and the Chairman and Managing Director is promoter and Executive Director of the Company.

The Composition of Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations.



The attendance and number of other directorships and committee membership of each director is given below:

Name of the Director	Category	No. of outside Directorships held in Indian Public Companies	No. Of outside Committee Positions held in Audit/Stakeholders Relationship Committee		No. Of Board Meetings Financial Year 2018-2019		Attended Last AGM held on 28 <sup>th</sup> September, 2018
			Member	Chairman	Held	Attended	
Shri Deoki Nandan Agarwal	Managing Director	2	2	Nil	9	9	Yes
Shri Aashish Agarwal	Non-Executive	2	1	Nil	9	9	Yes
Shri Daulat Ram Agarwal	Non-Executive Director	2	Nil	Nil	9	9	Yes
Shri Lalit Agarwal	Non-Executive Director	4	2	1	9	9	Yes
Shri Naresh Chand Maheshwari	Non-Executive Independent Director	2	2	Nil	9	9	Yes
Shri Jay Vilas Dubey	Non-Executive Independent Director	1	2	2	9	9	Yes
Smt. Parveen Gupta	Non-Executive Independent Woman Director	1	1	0	9	9	Yes

None of the Directors on the board is a member of more than ten committees and chairman of more than five committees across all companies in which they are directors.



## **Board Meetings**

A calendar of Board and committee meetings is agreed and circulated in advance to the Directors. Additional meetings are held, when necessary. During the year ended march 31, 2019 Board met 9 times on 30/05/2018, 03/07/2018, 13/08/2018, 03/09/2018, 13/11/2018, 15/01/2019, 13/02/2019, 14/03/2019, 30/03/2019 and the maximum gap between any two meetings did not exceed 120 days as stipulated under Section 173(1) of Companies Act, 2013.

## **Board Agenda**

Agenda of the Board Meeting and notes on agendas are circulated to the Directors as far as possible well in advance of each Board Meeting. At the Board Meeting elaborate presentations are made to the Board. The Members discuss each agenda items freely in detail. Nine Board Meetings were held on 30/05/2018, 03/07/2018, 13/08/2018, 03/09/2018, 13/11/2018, 15/01/2019, 13/02/2019, 14/03/2019, 30/03/2019 during the year.

## **Information Placed before the Board**

Necessary information as required under the Companies Act, 2013 and the Listing Agreement/ SEBI Listing Regulations as applicable have been placed before and reviewed by the Board from time to time. The Board also periodically reviews compliance by the Company with the applicable laws/ statutory requirements concerning the business and affairs of the Company.

## **Separate Meeting of Independent Directors**

During the year 2018-2019, as per the requirement of Schedule IV of the Companies Act, 2013 and the Listing Agreement/ Listing Regulations, one separate meeting of Independent Directors was held on 03/09/2018 without the presence of the Non-Independent Directors and the members of the management. The meeting was conduct in an informal manner to enable the Independent Directors to Discuss and review the performance of non- independent directors and the Board as a whole.

## **Codes and Policies**

The Board has adopted all applicable codes and policies as per the requirement of the Companies Act, 2013 SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Listing Regulations. The requisite codes and policies are posted on the Company's website.

The Board has laid down the code of conduct for all Board members and senior management of the company. All Board Members and senior management, that includes Company's executives who report directly to the Chairman and executive Directors, have affirmed their compliance with the said code.



## COMMITTEES AT BOARD LEVEL

The Board has constituted various Committees of Directors for smooth and efficient conduct of business. The minutes of the meetings of Committees of Directors are placed in the succeeding meeting for the Board to take note of the same.

### (A) AUDIT COMMITTEE

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulation with the stock exchange read with section 177 of the Companies Act, 2013.

During the year under review, Five meetings of the committee were held on 30/05/2018, 13/08/2018, 03/09/2018, 15/01/2019, 30/03/2019. The Composition of Committee and attendance at its meeting is given below:

The Audit Committee of the company currently consists of three Directors headed by a Non-Executive Independent Director Shri Jay Vilas Dubey as Chairman. The details of composition, attendance, at the meetings of the Audit Committee are as follows:-

Name of the Directors	Designation	Category	No. of meetings during the tenure of the Director	
			Held	Attended
Shri Jay Vilas Dubey	Chairman	Non-Executive, Independent	5	5
Shri Naresh Chand Maheshwari	Member	Non-Executive, Independent	5	5
Shri Deoki Nandan Agarwal	Member	Executive	5	5
Smt. Parveen Gupta	Member	Non-Executive, Independent	5	5

#### The Functions of the Committee include:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is sufficient and credible.
2. Review of the Company's financial and accounting policies and practices.
3. Report of the Board with such recommendations as the Audit Committee may consider appropriate.
4. Review with the management the quarterly financial statements before submission to the Board for approval.



5. To review with the management the annual financial statements before submission to the Board for approval with reference to:
- Matters required to be included in Directors Responsibility statement to be included in Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - Change in accounting policies and practices and reasons thereof.
  - Major accounting entries involving estimates based on exercise of judgments by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliances with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in draft audit report.

## **(B) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

### **Terms of Reference**

The investors grievance committee focuses on Shareholder's grievances and strengthening of investor relations. It looks into various investor complaints like transfer of shares, non-receipt of annual reports and other such issues.

### **Composition and Attendance**

The Investor Grievance Committee comprises of three Directors Shri Jay Vilas Dubey, Shri Naresh Chand Maheshwari and Shri Deoki Nandan Agarwal. Out of whom Shri Jay Vilas Dubey and Shri Naresh Chand Maheshwari are non-executive directors. During the year under review there was no meeting held since the company has not received any investor grievance.

## **(C) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee has been formed in compliance with the provisions of Companies Act, 2013 for discharging the duties of the corporate towards the society in whole.

The committee held one meeting during the year under review on 03/09/2018.

The Composition and attendance of the Committee meeting is given below:

### **Composition and Attendance**

Name of the Directors	Designation	Category	No. of meetings during the tenure of the Director	
			Held	Attended
Shri Jay Vilas Dubey	Chairman	Non-Executive, Independent	1	1
Shri Naresh Chand Maheshwari	Member	Non-Executive, Independent	1	1
Shri Deoki Nandan Agarwal	Member	Executive	1	1



### (C) NOMINATION AND REMUNERATION COMMITTEE

As on 31<sup>st</sup> March, 2019 the nomination & Remuneration Committee comprised of three Directors out of which two are independent Directors.

The Committee held one meeting during the year under review on 03/09/2018.

The Composition of the Committee and attendance at its meeting is given below:

Name of the Directors	Designation	Category	No. of meetings during the tenure of the Director	
			Held	Attended
Shri Jay Vilas Dubey	Chairman	Non-Executive, Independent	1	1
Shri Naresh Chand Maheshwari	Member	Non-Executive, Independent	1	1
Shri Deoki Nandan Agarwal	Member	Executive	1	1

### GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings of the Company are as under:-

Financial Year	Day & Date	Time	Venue	Special Resolutions Passed
2015-2016	Friday, September 30, 2016	05:30 P.M.	45/3, Industrial Area, Site-IV, Sahibabad, U.P.	-
2016-2017	Friday, September 30, 2017	04:30 P.M.	45/3, Industrial Area, Site-IV, Sahibabad, U.P.	-
2017-2018	Friday, September 30, 2018		45/3, Industrial Area, Site-IV, Sahibabad, U.P.	2

### SUBSIDIARY COMPANIES

The company has no subsidiary during the financial year.



## **OTHER DISCLOSURES**

### **Related Party Transactions**

(a) The Company has adopted a policy on dealing with related party transactions and the same is disclosed at the Company's website at [www.advance.co.in](http://www.advance.co.in).

There are no significant transactions with related parties, which may have a potential conflict with the interests of the Company.

(b) Details of non-compliance by the company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, or any matter related to capital markets, during the last three years.

(c) During the year under review there was no cases on non-compliance by the Company and no penalties/strictures were imposed on the Company by any statutory authority on any matter.

(d) The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the Website of the Company at the Company's Website.


### **Accounting Treatment in Preparation Of Financial Statements**


The Company followed the guidelines as laid down in the Accounting Standards, Prescribed by the Institute of Chartered Accountants of India, for the preparation of the Financial Statements and there is no deviation from it in general.

**Place:** Sahibabad

**Date:** 05/09/2019

**For and on Behalf of the Board**

  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

  
**Lalit Agarwal**  
Director  
DIN: 00109920



### ANNEXURE – 3

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Pursuant to Section 135 of the Companies Act, 2013)

### BRIEF OUTLINE OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Board of Directors adopted the CSR Policy in the previous year. The policy focus initiatives are Education, Health, Livelihoods and Rural and Urban Infrastructure. Besides, it also undertakes intervention in the areas of Disaster relief, environment and ethnicity aimed at improving the quality of life of the communities.

### COMPOSITION OF CSR COMMITTEE OF THE BOARD

The CSR Committee of the Board comprises of Mr. Jay Vilas Dubey (Chairman), Mr. Naresh Chand Maheshwari and Shri Deoki Nandan Agarwal as members. All the members of the Committee are eminent personalities from academic and industrial field. The members with the vast experience and multi-functional expertise, provide macro policy level inputs to the CSR Committee and guide Company's approach towards CSR.

### FINANCIAL DETAILS

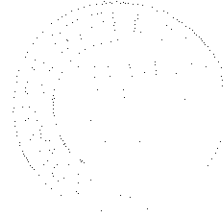
Prescribed CSR Expenditure (2% of the average net profits of Last three Financial years) was Rs. 29,50,983/- for the f.y. 2014-2015, 2015-2016 and 2016-2017. However, the Company did not managed to spend the whole amount in the earlier years due to inability to find any suitable project for spending of CSR amount. Whereas, the Company did not manage to spend the amount in the financial year 2017-2018 but have spend the accumulated CSR Activity fund of Rs. 29,50,983 through the Contribution towards a initiative of "Ram Bajaj Foundation" in their project namely, "Shiksha Ki Unchi Udaan" the details of which will be provided in the coming years' Annual General Meeting.

### REPORT ON CSR ACTIVITIES

S.No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs Local Area or other/ specify the State & District where Project or Program is undertaken	Amount Outlay (budget) Project or program wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads (Rs)	Cumulative Expenditure upto the reporting period (Rs)	Amount Spent : Direct or through Agency (Rs)
		Education	-	-	-	29,50,983	30,00,000
	Sub Total		-	-	-	29,50,983	30,00,000
	Overhead		-	-	-	-	-
	Total CSR	NIL	NIL	NIL	NIL	NIL	NIL



**Note:** The Net worth of the Company was below Rs. 500 Crore, the Turnover of the company was below Rs. 1000 Crore and the Net Profit of the Company was below Rs. 5 crore in any of the preceding three financial year, hence, provisions of section 135(1) of the Companies Act 2013 read with CSR rules 2014 issued in this behalf are not attracted on the Company. Therefore, the Company is out of the purview of Section 135 (1) for the Financial Year 2018-2019




### DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I declare that the Company has received affirmation of Compliance with the "Code of Conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and senior management personnel of the Company, to whom the same is applicable, for the Financial Year ended 31<sup>st</sup> March, 2019.

**Date: 05/09/2019**  
**Place: Sahibabad**

**For Advance Steel Tubes Limited**

Sd/-   
**(Deoki Nandan Agarwal)**  
Managing Director  
DIN: 00586794


### CEO/CFO CERTIFICATION

We, Deoki Nandan Agarwal, Managing Director and Vatsal Agarwal, Chief Financial Officer of Advance Steel Tubes Limited to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statements for the financial year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and audit committee, wherever applicable;
  - i. Deficiencies in the design or operation of such internal controls, if any, which come to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
  - ii. Significant changes in internal control over financial reporting during the year;
  - iii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - iv. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal Control System over financial reporting.

**Date: 05.09.2019**  
**Place: Sahibabad**

  
**For Advance Steel Tubes Limited**  
**Deoki Nandan Agarwal**  
(Managing Director)  
DIN: 00586794

  
**Vatsal Agarwal**  
(CFO)  
PAN: AMPPA6166N

#### Annexure- 4

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE**  
Information as required under Companies Act, 2013 is given as under:

#### A. Conservation of Energy

POWER & FUEL CONSUMPTION	CURRENT YEAR	PREVIOUS YEAR
1) Electricity (Purchased) Units	25,10,138	24,00,522
Total Amount	2,11,08,881	20527924.00
Rate Per Unit	8.41	8.55
2) Electricity (Generated) Units	-	-
3) Furnace Oil Consumed in KG	2,32,000	2,40,160
Total Amount	1,05,00,995.00	8,802,025.00
Rate Per Liter	45.76	36.65
4) HSD Consumed in KL	36,000	12,000
Total Amount	22,86,192.00	578,972.00
Rate Per Liter	63.50	48.25
5) Gas	-	-
Total Amount	-	-

#### B. Consumption per unit of production

It is not feasible to maintain product category-wise energy consumption data, since we manufacture a large range of formulations and having different energy requirements.

#### C. Energy Conservation Measures

- a. Improvisation and continuous monitoring of Power factor and replacement of weak capacitors, periodic checking of capacitors
- b. Alternative energy sources like Gas & steam have been used in place of electricity.
- c. Provision of storage tanks with electricity heaters to utilize the same instead of steam and use of DG set with smaller capacity for limited use at night or on weekly off/holiday.
- d. The Company has endeavored to optimize the use of energy resources and taken adequate steps to avoid wastage & use latest production technology & equipments.

#### D. Technology Absorption

Disclosure of particulars with respect to technology absorption:-



**1. Specific areas in which R&D carried out by the Company**

- a. Quality upgradation
- b. Developing wide range of products
- c. Productivity enhancement
- d. Quality control management

**2. Benefits derived as a result of the Above R&D**

- a. Increase in productivity and utilization.
- b. Repeat orders from customers due to consistency in quality

**3. Future Plan of Action**

- a. Cost- efficiency in manufacturing operations through better methods and techniques of production
- b. Increase range of products
- c. Developing of new markets

**4. Expenditure in R&D**

Specific expenditure of recurring or capital nature is not involved.

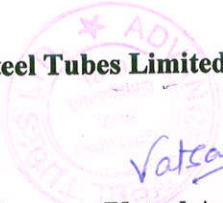
**E. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.
- b) Information in respect of Foreign exchange earning and outgo is:

	Current Year	Previous year
Earning (in Rs.)	4,74,46,121	10,13,02,198
Outgo (in Rs.)	5,02,56,659	10,63,76,460

**Date: 05.09.2019**  
**Place: Sahibabad**

  
**For Advance Steel Tubes Limited**  
**(Deoki Nandan Agarwal)**  
Managing Director  
DIN: 00586794

  
**(Vatsal Agarwal)**  
CFO  
PAN: AMPPA6166N

Annexure-5

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2019

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:

1.	CIN	L24231UP1978PLC004583
2.	Registration Date	23/03/1978
3.	Name of the Company	Advance Steel Tubes Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non- Government Company
5.	Address of the Registered office & contact details	45/3,Industrial Area, Site-IV,Sahibabad, Ghaziabad, U.P. 201020 011-43041400, E-mail: ino@advance.co.in
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Black and GI Pipes	2431	25.90
2	Structure	2431	26.65
3	Poles	2431	47.45

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company

There is no business activity of Holding, Subsidiary and associate Company, contributing more than 10 % to total turnover of the Advance Steel Tubes Limited.



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

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01- April -2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian	-								
a) Individual/ HUF	554600	-	554600	74.95	554600	-	554600	74.95	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>554600</b>	<b>-</b>	<b>554600</b>	<b>74.95</b>	<b>554600</b>	<b>-</b>	<b>554600</b>	<b>74.95</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
-b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									



a) Bodies Corp.	-	35000	35000	4.73	-	35000	35000	4.73	Nil
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	94650	94650	12.79	-	94650	94650	12.79	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	55750	55750	7.53	-	55750	55750	7.53	Nil
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	185400	185400	25.05	-	185400	185400	25.05	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	185400	185400	25.05	-	185400	185400	25.05	Nil
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	554600	185400	740000	100	554600	185400	740000	100	Nil





B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Aashish Agarwal	30450	4.11	Nil	30450	4.11	Nil	Nil
2.	Daulat Ram Agarwal	40000	5.41	Nil	40000	5.41	Nil	Nil
3.	Lalit Agarwal	53140	7.18	Nil	53140	7.18	Nil	Nil
4.	Deoki Nandan Agarwal	72050	9.74	Nil	72050	9.74	Nil	Nil
5.	Shyama Devi Agarwal	13200	1.78	Nil	13200	1.78	Nil	Nil
6.	Lalit Agarwal (HUF)	40250	5.44	Nil	40250	5.44	Nil	Nil
7.	Suyash Agarwal	26700	3.61	Nil	26700	3.61	Nil	Nil
8.	Vatsal Agarwal	38650	5.22	Nil	38650	5.22	Nil	Nil
9.	Shalini Agarwal	5000	0.68	Nil	5000	0.68	Nil	Nil
10.	Romil Agarwal	36600	4.95	Nil	36600	4.95	Nil	Nil
11.	Laxmi Devi Agarwal	31200	4.22	Nil	31200	4.22	Nil	Nil
12.	D.N. Agarwal (HUF)	41500	5.61	Nil	41500	5.61	Nil	Nil
13.	Daulat Ram Agarwal (HUF)	32500	4.39	Nil	32500	4.39	Nil	Nil
14.	Shashi Agarwal	66550	8.99	Nil	66550	8.99	Nil	Nil
15.	Suchita Agarwal	26800	3.62	Nil	26800	3.62	Nil	Nil

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	554600	74.95	554600	74.95
	Date wise Increase / Decrease in Promoters Shareholding during the year	No Change	No Change	No Change	No Change



	specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	554600	74.95	554600	74.95

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	126050	17.03	126050	17.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	4250	0.57	4250	0.57
	At the end of the year	130300	17.60	130300	17.60

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	261000	35.27	261000	35.27
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
	At the end of the year	261000	35.27	261000	35.27



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,94,06,993	4,70,17,743	-	8,64,24,736
ii) Interest due but not paid	32,98,856	56,44,315	-	89,43,171
iii) Interest accrued but not due		-	-	
<b>Total (i+ii+iii)</b>	<b>4,27,05,849</b>	<b>5,26,62,058</b>	<b>-</b>	<b>9,53,67,907</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	10,28,150	50,000	-	10,78,150
* Reduction	82,85,143	-	-	82,85,143
<b>Net Change</b>			-	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount			-	
ii) Interest due but not paid	3,54,48,856	4,70,67,743	-	8,25,16,559
iii) Interest accrued but not due	-	50,79,883	-	- 50,79,883
<b>Total (i+ii+iii)</b>	<b>3,54,48,856</b>	<b>5,21,47,676</b>	<b>-</b>	<b>8,75,96,482</b>

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Deoki Nandan Agarwal (Managing Director)	
1	Gross salary		29,66,400
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>		<b>29,66,400</b>
	<b>Ceiling as per the Act</b>	-	-



**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Naresh Chand Maheshwari	Jay Vilas Dubey	Parveen Gupta	
	Fee for attending board /committee meetings	10,000	10,000	10,000	30,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	10,000	10,000	10,000	30,000

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	4,80,000	6,00,000	1,080,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
		-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	4,80,000	6,00,000	1,080,000

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

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

Place: Sahibabad  
Date: 05/09/2019

For and on Behalf of the Board

  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

  
**Lalit Agarwal**  
Director  
DIN: 00109920

**Annexure-6**

**Form No. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable as no such transactions has been taken place.**

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board: N.A.
- (g) Amount paid as advances, if any: N.A.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:n.a.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party  
Company's related parties are disclosed below:

- Advance (Ispat) India Limited
- Tirupati Structurals Limited
- Advance Enterprises Private Limited
- Marda Commercial & Holdings Limited
- Sophia Exports Limited
- ADV Drilling Products PLC



- Pir Panchal Constructions Private Limited
- Advance Stimul Consortium

(b) Nature of contracts/arrangements/transactions: Loans & Advances

(c) Duration of the contracts / arrangements/transactions:


(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

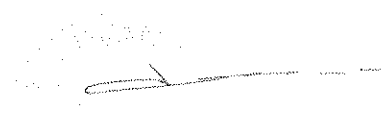
(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

**Place:** Sahibabad  
**Date:** 05/09/2019

**For and on Behalf of the Board**

  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

  
**Lalit Agarwal**  
Director  
DIN: 00109920

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## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADVANCE STEEL TUBES LIMITED

### 1. Report on the Standalone Indian Accounting Standard (Ind AS) Financial Statements

We have audited the accompanying Indian Accounting Standard Standalone Ind AS financial statements of Advance Steel Tubes Limited ("the Company"), which comprise the Balance Sheet as at 31/03/2019, the Statement of Profit and Loss (including Other Comprehensive Income), the cash flow statement and the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

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 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.





We conducted our audit of Standalone Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31/03/2019, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the change in equity for the year ended on that date.

#### 5. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 32(1)(b) to the financial statements which, describes the uncertainty related to the outcome of demands raised against the Company by the VAT / Sales Tax / Excise Duty / Service Tax / Income Tax Department which stands provided for.

- b) Note 32(1)(c) in the financial statement which, describes the uncertainty related to the UPPTCL against EPC Project through PNC Infratech Limited & A2Z Maintenance & Engineering Services Ltd. has retained Rs.6,25,36,078/- from time to time payments against any forcible penalties for which extension of time has applied. The Company is expecting extension of time and no penalties are likely to be levied hence no provision has been made for the same.
- c) Note No. 32(5.1) to the financial statement which describes Account Confirmation in respect of certain accounts of Debtors have not been received and they are subject to confirmations. The management is of the opinion that adjustment, if any arising out of such reconciliation would not have material effect on the financial statement of the current year.
- d) Note No. 32(5.2) to the financial statement which describes Advance include Rs.30,00,000/- to M/s Yamuna Industries to purchase RCC Cement Poles & Slab factory in Yamuna Nagar hence the business could not be operationalized thus stands closed. The amount is recoverable only on disposal of Assets.
- e) Note No. 32(5.3) to the financial statement which describes Advance include Rs.17,35,498/- being claim from United Insurance Company Ltd. On theft of Zinc in transit, further required document has been submitted for disposal of claim and is expected to receive in coming here.

Our opinion is not modified in respect of these matters.

## 6. Other Matters

The financial statements and the other financial information include the Company's proportionate share in jointly controlled assets of Rs.1356.71Lakhs, liabilities of Rs.903.98Lakhs, expenditure of Rs.1455.04Lakhs and income of Rs. 1848.07 Lakhs in regards to

Pir Panchal Construction (P) Ltd. – JV and assets of Rs.285.81Lakhs, liabilities of Rs.268.42Lakhs&expenditure of Rs.0.85Lakhs and income of Rs.0.00 Lakhs in regards to Advance Stimul Consortium and the elements making up the Cash Flow Statement and related disclosures in respect of an Unincorporated Joint Venture which is based on statement from the respective operators and certified by the management.

Our opinion is not modified in respect of these matters.

#### 7. Report on Other Legal and Regulatory Requirements

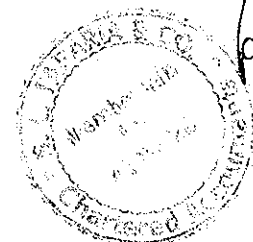
1. As required by the Companies (Auditors' Report) Order,2016("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give the statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable as under.

i. In respect of its fixed assets:

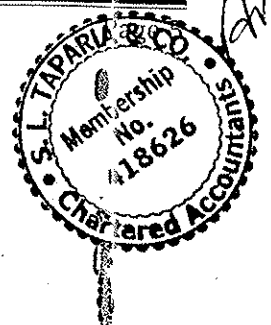
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by themanagement in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examinations of records available to us , the title deed of all immovable properties are held in the name of company.

ii. In respect of its inventories:

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.



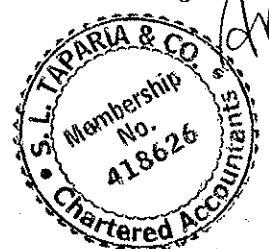
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- iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- a) The Company has provided any secured or unsecured loan to any Company, firm or other parties covered in the register maintained 189 of the Companies Act, 2013.
- b) The term and conditions of grant of such loan is not prejudicial to the company.
- iv. In our opinion, and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Loans and investments made, and guarantees and security provided by it.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax with effect from July 1<sup>st</sup>, 2017 and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.



- b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

Sl. No.	Name of Statute	Nature of Dues	Amount (in Lakh)	Period to which the amount relates (FY)	Forum where Dispute is pending	Remarks
1.	Service Tax Act	Service Tax	11.36	2012 – 13	Additional Commissioner, Ghaziabad	The demand of Rs. 11.36 Lakhs has been provided & Rs.4.00 Lakhs has been deposited.
2.	Income Tax Act	TDS	3.51	2010-11	Commissioner of Income Tax (ITAT)-Delhi	The company has preferred an appeal and Paid Rs. One lakh and not provided for in the view of prospect to get relief.
3.	Income Tax Act	TDS	5.88	2011-12	Commissioner of Income Tax (ITAT)-Delhi	The company has preferred an appeal and Paid Rs. One lakh and not provided for in the view of prospect to get relief.
4.	Income Tax Act	TDS	4.64	2012-13	Commissioner of Income Tax (ITAT)-Delhi	The company has preferred an appeal and Paid Rs. One lakh and not provided for in the view of prospect to get relief.
5.	Income Tax Act	TDS	4.24	2013-14	Commissioner of Income Tax (ITAT)-Delhi	The company has preferred an appeal and Paid Rs. One lakh and not provided for in the view of prospect to get relief.

- viii. According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to any financial institution or banks or Government. The Company has not issued any debentures.



- ix. The company has not raised any moneys by way of IPO, further public offer(including debts instruments) and term loans. The provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and According to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, notices or reported during the year, nor have we been informed of any such case by the Management.
- xi. Managerial Remuneration  
Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. As the Company is not a Nidhi Company and Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of companies Act – 2013, the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required under Indian accounting standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the Company.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Act, Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.



- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the order are not applicable to the Company.
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 other comprehensive income), and the cash flow statement and the statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 29(1)(B) to the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
    - iii. There were no amounts which required to be transferred, to the Investors Education and Protection Funds by the Company.



AshutoshRathi  
A.C.A., B.Com

S.L.TapariaAnd Company  
CHARTERED ACCOUNTANTS

iv. The reporting on disclosure to specified Bank notes is not applicable to the company for the year ended March 31, 2019.

Date : 28/05/2019  
Place: Delhi



For S L Taparia and Company  
Chartered Accountants  
Firm Regd. No.:000540/C

(AshutoshRathi)

Partner Membership No.418626:



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**"Annexure A" to the Independent Auditor's Report of even date on the Financial Statements of Advance Steel Tubes Limited.**

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

We have audited the internal financial controls over financial reporting of Advance Steel Tubes Limited ("The Company") as of March 31, 2019 in conjunction with our audit of the 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material

weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon 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 Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting

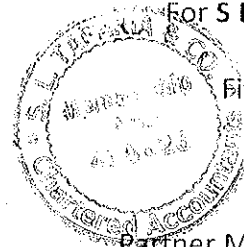
AshutoshRathi  
A.C.A., B.Com

S.L.TapariaAnd Company  
CHARTERED ACCOUNTANTS

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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 issues by the Institute of Chartered Accountants of India.

Date : 28/05/2019  
Place: Delhi



For S L Taparia and Company  
Chartered Accountants  
Firm Regd. No.:000540/C

(AshutoshRathi)

Partner Membership No.418626:

ADVANCE STEEL TUBES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2019

CIN : L24231UP1978PLC004583

FTC

ADVANCE

Particulars		Note No.	As at 31 March, 2019	As at 31 March, 2018
<b>A</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Property, Plant & Equipment	3	2045,92,729	2064,02,868
	(b) Capital work-in-progress	3	10,04,150	2653647
	(c) Other Intangible Assets	3	-	-
	(d) Intangible Assets under Development	3	-	-
	(e) Financial Assets			
	(i) Investments	4	472,36,218	383,62,391
	(ii) Loans	4	329,21,137	73,47,094
	(iii) Other Financial Assets	4	1052,79,925	1141,02,210
	(f) Non Current Tax Assets	5	100,81,650	75,38,144
	(g) Other Non Current Assets	6	54,49,746	50,06,230
	<b>Total Non Current Assets</b>		<b>4065,65,555</b>	<b>3814,12,584</b>
2	Current assets			
	(a) Inventories	7	1547,00,743	2222,26,453
	(b) Financial Assets			
	(i) Trade receivables	8	4072,62,200	2563,36,190
	(ii) Cash and cash equivalents	9	41,260	1,41,534
	(iii) Bank Balance other than (ii) above	9	6,64,479	26,18,551
	(iv) Other Financial Assets	10	697,58,590	807,22,659
	(c) Other Current Assets	11	15,18,899	10,03,983
	(d) Current Tax Assets	12	40,44,071	61,11,811
	<b>Total Current Assets</b>		<b>6379,90,242</b>	<b>5691,61,181</b>
	<b>TOTAL ASSETS</b>		<b>10445,55,797</b>	<b>9505,73,765</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	13	74,00,000	74,00,000
	(b) Other Equity	14	7958,59,285	7522,07,431
	<b>TOTAL EQUITY</b>		<b>8032,59,285</b>	<b>7596,07,431</b>
	<b>LIABILITIES</b>			
2	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	364,13,642	372,89,566
	(ii) Other Financial Liabilities	16	18,19,826	43,20,595
	(b) Provisions	17	108,74,520	90,62,171
	(c) Deferred tax liabilities (net)			
	<b>Total Non Current Liabilities</b>		<b>491,07,988</b>	<b>506,72,332</b>
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	1316,90,774	941,86,746
	(ii) Trade payables	19	216,55,403	190,10,357
	(iii) Other Financial Liabilities	20	17,64,166	21,17,427
	(b) Other Current Liabilities	21	249,62,826	142,89,292
	(c) Provisions	22	59,26,922	100,97,458
	(d) Current Tax Liabilities	22	61,88,433	5,92,722
	<b>Total Current Liabilities</b>		<b>1921,88,524</b>	<b>1402,94,002</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>10445,55,797</b>	<b>9505,73,765</b>
	See accompanying notes Nos. (Accounting Policies)1 & 2			
	See accompanying notes Nos. (Notes ) 32			

In terms of our report attached.

For S L Taparia & Company

Chartered Accountants

Registration No. 000540/C

S. L. Taparia & Company

Particulars M. No. 418626

10, Madha Serveswar Mandir

near IDBI Bank, Madhav Ganj

Jhans Garh (Rajasthan)

For and on behalf of the Board of Directors

D. N. Agarwal  
(Managing Director)

DIN: 00586794

B-16, Swasthya Vihar, Delhi

Parul Mishra

(Company Secretary)

M. No.: A16018

A-725, Gaur Green Avenue,

Vaishali, Ghaziabad (UP)

Lalit Agarwal  
(Director)

DIN: 00109920

B-16, Swasthya Vihar, Delhi

Vatsal Agarwal

(C.F.O.)

B-16, Swasthya Vihar, Delhi



Place : Sahibabad

Date : 28/05/2019

## PROFIT &amp; LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

CIN : L24231UP1978PLC004583

Particulars		Note No.	Figures Year ended 31.03.2019	Figures Year ended 31.03.2018
<b>I</b>	<b>REVENUE</b>			
(1)	Revenue from Operations (Gross)	23	11708,19,983	7448,81,193
	Add : Services		718,97,290	900,68,305
	Total Revenue from Operations (Gross)		12427,17,273	8549,49,498
(2)	Other income	24	465,34,582	152,62,661
	<b>Total Revenue</b>		<b>12892,51,855</b>	<b>8702,12,159</b>
<b>II</b>	<b>EXPENSES</b>			
(a)	Cost of Material Consumed	25	9120,18,322	4774,25,263
(b)	Purchases of Stock-in-Trade	26	854,70,337	1296,60,620
(c)	Changes in Inventories of finished goods Work-in-progress and stock-in-trade	27	(326,25,688)	456,52,951
(d)	Employee Benefits Expenses	28	655,37,842	651,65,905
(e)	Finance Costs (Including Bank Charges)	29	350,57,546	303,57,236
(f)	Depreciation and Amortization Expenses	3	115,27,328	119,44,384
(g)	Other Expenses	30	1602,53,896	1036,13,073
	<b>Total Expenses</b>		<b>12372,39,583</b>	<b>8638,19,432</b>
<b>III</b>	Profit before exceptional & extraordinary items and tax (I - II)		520,12,272	63,92,727
<b>IV</b>	Exceptional/Extraordinary Items		-	-
	-Provision for CSR		-	-
<b>V</b>	<b>Profit before Tax (III - IV)</b>		<b>520,12,272</b>	<b>63,92,727</b>
<b>VI</b>	<b>Tax Expense:</b>			
a)	Current year Tax		58,84,219	5,92,722
b)	MAT Credit Entitlement / Adjustment		(10,80,158)	(3,53,757)
c)	Current tax expense relating to prior years		(40,203)	3,02,535
d)	Deferred tax		18,12,348	9,84,172
	<b>Total VI</b>		<b>65,76,206</b>	<b>15,25,672</b>
<b>VII</b>	<b>Profit/(Loss) for the period (V-VI)</b>		<b>454,36,066</b>	<b>48,67,055</b>
	Opening Balance in Profit & Loss Account		-	-
	Other Comprehensive Income		-	-
	Amount available for appropriations		454,36,066	48,67,055
<b>VIII</b>	<b>Earning per Equity Share :</b>	28		
(i)	Basic		61	7
(ii)	Diluted		61	7
	See accompanying notes Nos. (Accounting Policies)1 & 2			
	See accompanying notes Nos. (Notes ) 32			

In terms of our report attached.

For S L Taparia &amp; Company

Chartered Accountants

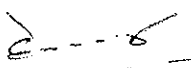
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S. L. Taparia & Company  
Partner M. No. 41862610, Radha Serveswar Mandir  
Near IDBI Bank, Madhav Ganj  
Kishan Garh (Rajasthan)

Place : Sahibabad

Date : 28/05/2019

For and on behalf of the Board of Directors


  
D. N. Agarwal  
(Managing Director)

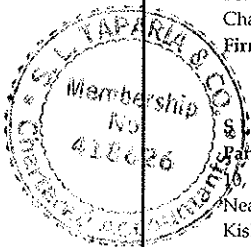
DIN: 00586794

B-16, Swasthya Vihar, Delhi


  
Parul Mishra
(Company Secretary)  
M. No.: A16018A-725, Gaur Green Avenue,  
Vaishali, Ghaziabad (UP)Lalit Agarwal  
(Director)

DIN: 00109920

B-16, Swasthya Vihar, Delhi


  
Vatsal Agarwal
(C.F.O.)  
B-16, Swasthya Vihar, Delhi

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

CIN : L24231UP1978PLC004583

	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	520,12,274	63,92,727
Adjustments For		
Depreciation and amortisation expenses	115,27,328	119,44,384
Interest Income	(105,50,923)	(106,28,505)
Financial Cost (Interest On Borrowing)	256,49,240	218,86,361
Loss/(Profit) from Investment	(243,73,826)	(35,95,293)
Loss/(Profit) on sale of Property, Plant and Equipment (net)	(1,01,211)	(60,565)
Provision for employee benefit (Gratuity & Leave)	(25,00,769)	15,24,774
<b>Operating Profit before working capital changes</b>	<b>516,62,113</b>	<b>274,63,883</b>
Adjustments For		
(Increase)/Decrease in Trade & Other Receivable	(1669,70,182)	472,01,898
(Increase)/Decrease in other Financial Assets	107,76,357	427,16,146
(Increase)/Decrease Inventories	675,25,710	776,74,973
Increase/(Decrease) in Trade Payable & Other Financial Liabilities	77,16,544	(297,17,446)
<b>Cash Generated From Operation</b>	<b>(292,89,458)</b>	<b>1653,39,454</b>
Net Income Tax Paid/refund	4,87,436	(93,72,536)
<b>Cash Flow Before Extraordinary Item</b>	<b>(288,02,022)</b>	<b>1559,66,918</b>
Prior Period Adjustment	40,203	(3,02,535)
<b>Net Cash From Operating Activities</b>	<b>(287,61,819)</b>	<b>1556,64,383</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Property, Plant and equipments including	(80,86,481)	(68,36,712)
Capital Advance	1,20,000	3,25,905
Sale of Property, Plant and Equipment		(155,00,000)
Purchase of Investments	155,00,000	50,00,000
Sale of Investments	105,50,923	106,28,505
Interest Received	180,84,442	(63,82,302)
<b>Net Cash Used In Investing Activities</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed From Long Term borrowing	10,28,150	-
Proceed From Short Term borrowing	-	-
Repayment of long term borrowing	51,29,883	(24,62,980)
Repayment of short term borrowing	(22,57,335)	(115,71,346)
Proceed From Cash Credits	323,74,145	(1120,32,469)
Interest and Financial Charges paid	(256,49,240)	(218,86,361)
Dividend Paid	(48,500)	(13,99,500)
<b>Net Cash Flow From Financing Activities</b>	<b>105,77,103</b>	<b>(1493,52,656)</b>
Net Increase in Cash & Cash Equivalents	(1,00,274)	(70,575)
Cash and Cash Equivalents (Opening Balance)	1,41,534	2,12,109
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>41,260</b>	<b>1,41,534</b>

In terms of our report attached.

For and on behalf of the Board of Directors

For S L Taparia & Company

Chartered Accountants

Firm No. 000540/C

S L Taparia & Company

Partner M. No. 418626

10 Badha Serveswar Mandir

Near IDBI Bank, Madhav Ganj

Kishan Garh (Rajasthan)

D. N. Agarwal  
(Managing Director)

DIN: 00586794  
B-16, Swasthya Vihar, Delhi

Vatsal Agarwal  
(C.F.O.)

B-16, Swasthya Vihar, Delhi

Lalit Agarwal  
(Director)

DIN: 00109920  
B-16, Swasthya Vihar, Delhi

Parul Mishra  
(Company Secretary)

M. No.: A16018

A-725, Gaur Green Avenue,  
Vaishali, Ghaziabad (UP)

Place : Sahibabad

Date : 28/05/2019

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

(Annexed to forming part of the accounts for the year ended 31<sup>st</sup> March 2019)

**NOTE NO. 1 - NATURE OF OPERATION**

**1.1 Company Overview**

Advance Steel Tubes Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It has been engaged primarily in the business of manufacture and sale of Steel Products. The Company has its manufacturing facilities in India and sells products in India & Abroad.

**1.2 As Recent accounting pronouncement**

**Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to IND AS 7, 'Statement of Cash Flows' and IND AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from April 1, 2017.

**Amendment to IND AS 7**

The amendment to IND AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

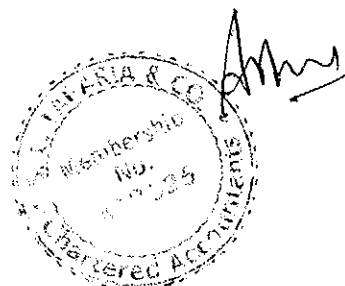
The requirements of amendment have no impact on the financial statements.

**Amendment to IND AS 102**

The amendment to IND AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.



2. Significant Accounting policies

*Statement of Compliance*

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("IND AS"). The Company has prepared its financial statements up to the year ended 31st March, 2019 in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP").

*2.1 Basis of preparation*

These financial statements are prepared in accordance with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of Schedule III to the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

*2.2 Critical accounting judgments' and key sources of estimation uncertainty*

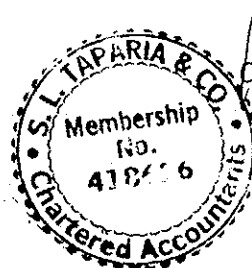
The preparation of the financial statements in conformity with the IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgments** In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

**Discount rate used to determine the carrying amount of the Company's defined benefit obligation:** 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.

**Contingences and commitments:** In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.





## *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

**Useful lives of property, plant and equipment:** As described in Note 3.8, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

**Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates.

## **2.3 Operating Cycle and Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is 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 (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

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

## **2.4 Accounting Convention**

The Financial Statements are prepared under the historical cost convention on accrual basis of accounting in accordance with generally accepted accounting principles, unless otherwise stated and comply with the accounting standard referred to in section 133 of the Companies Act 2013 read with rule 7 of company (Accounts) Rules 2014 to the extent applicable.

## **2.5 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment inclusive of excise duty and net of returns, trade allowances, rebates excluding GST as collected on behalf of third party & Government.



**Sale of Goods** Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Interest income** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividends** Dividend income from investments is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 2.6 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Thus, the Company's business falls under one operational segments i.e. Steel Products,

## 2.7 Foreign Currencies

**Functional currency:** The functional currency of the Company is the Indian rupee.

**Transactions and translations:** Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## 2.8 Property, plant and equipment

Property, plant and equipment (PPE) are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold/leased land, which are stated at cost) and impairment losses, if any.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM") in the manner prescribed in Schedule II of the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements.

**2.9 Capital work-in-progress and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

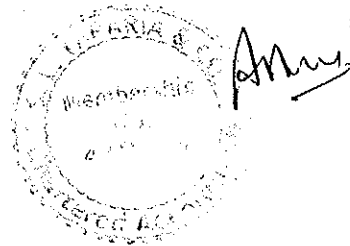
**2.10 Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current tax:** Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax:** Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at



the end of 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### 2.11 Impairment of assets

**Financial assets:** The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by IND AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**PPE and intangibles assets:** Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

### 2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.13 Provisions and Contingent Liabilities:

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



*[Signature]* 6 | Page

#### 2.14 Inventories

Inventories are valued at lower of cost on FIFO basis and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 2.15 Borrowing costs

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

#### 2.16 Employee Benefits

Employee benefits consist of contribution to Employees State Insurance, Provident Fund, Gratuity Fund and Compensated Absences.

##### Post-employment benefit plans

##### Defined Contribution plans

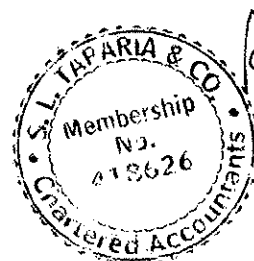
Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

##### Defined benefit plans

The Company operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the said obligation is determined by discounting the estimated future cash out flows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest expenses are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.



Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The classification of the company's net obligation into current and non-current is as per the actuarial valuation report.

### 2.17 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

### 2.18 Depreciation

Depreciation is charged on straight-line method (SLM) at the rates prescribed under Schedule-II of the Companies Act, 2013. Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, the depreciation on such assets is calculated on a pro-rata basis from the date of such addition or, as the case may be, up-to the date on which such asset has been sold discarded, demolished or destroyed.

### 2.19 Investments

Investments are carried at the lower of cost or quoted / fair value, computed category wise. Long-term investments are stated at cost. Provision for diminution in the value of the long-term investments is made only if; such decline is other than temporary in the opinion of the management.

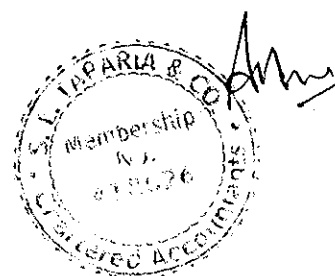
### 2.20 Joint Venture / Investment in Partnership Firm

Interest in jointly controlled entity is accounted for as an investment in accordance with Accounting Standard (AS-13), Accounting for Investments.

### 2.21 Use of Estimates

In the preparation of the financial statements, the management of the company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balance of assets & liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee's retirement benefit plans, income taxes, the useful lives of fixed assets and intangible assets and estimates for recognizing impairment losses.

These estimates could change from period to period and also the actual results could vary from the estimates. Appropriate changes are made to the estimates as the management becomes aware of changes in circumstances surrounding these estimates. The changes in estimates are reflected in the financial statements in the period in which changes are made and, if material their effects are disclosed in the notes to the financial statements.



**ADVANCE STEEL TUBES LIMITED**

Notes to Financial Statements for the year ended 31st March, 2019

(All Amounts in INR)

CIN : L24231UP1978PLC004583

Notes No. 3 : Property, Plant and Equipments

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1st April 2018	Additions/adjustment	Deductions/adjustment	As at 31st March 2019	As at 1st April 2018	Additions/adjustment	Deductions/adjustment	As at 31st March 2019	As at 31st March 2018
<b>Tangible Assets</b>									
Leasehold Land	204,27,378			204,27,378				204,27,378	204,27,378
Previous Year	204,27,378			204,27,378				204,27,378	204,27,378
Buildings	1347,38,574			1347,38,574				1100,43,356	1127,30,659
Previous Year	1347,38,574			1347,38,574				1127,30,659	1156,89,455
Plant & Machinery	1512,19,345	81,15,036		1593,34,381	873,52,685	68,97,586		650,84,110	638,66,660
Previous Year	1474,11,610	38,07,735		1512,19,345	809,62,236	63,90,449		638,66,660	664,49,374
Furniture and Fixtures	34,04,325	17,709		34,22,034	29,44,424	94,707		3,82,903	4,59,901
Previous Year	34,04,325	-		34,04,325	28,47,862	96,562		4,59,901	5,56,463
Vehicles	193,14,038	12,36,135	3,75,722	201,74,451	109,98,486	16,48,390	3,56,933	78,84,508	83,15,552
Previous Year	243,03,111	3,17,756	83,06,829	193,14,038	138,18,326	22,21,648	50,41,488	83,15,552	104,84,785
Office Equipments	34,37,542	2,25,172		36,62,714	30,79,809	1,38,120		4,44,785	3,57,733
Previous Year	34,37,542	-		34,37,542	28,77,101	2,02,708		3,57,733	5,60,441
Computers	35,21,599	1,41,926		36,63,525	32,76,614	61,222		3,25,689	2,44,985
Previous Year	34,64,025	57,574		35,21,599	32,02,394	74,220		2,44,985	2,61,631
<b>Total (Current Year)</b>	<b>3360,62,801</b>	<b>97,35,978</b>	<b>3,75,722</b>	<b>3454,23,057</b>	<b>1296,59,933</b>	<b>115,27,328</b>	<b>3,56,933</b>	<b>2045,92,729</b>	<b>2064,02,868</b>
Total Previous Year	3371,86,565	41,83,065	53,06,829	3360,62,801	1227,57,038	119,44,383	50,41,488	2064,02,868	2144,29,927
<b>Capital work in progress</b>	-							10,04,150	26,53,647.00

1) Lease hold lands are taken by the Company on long term agreements with the government/ government agencies for establishment of plants.



**ADVANCE STEEL TUBES LIMITED**

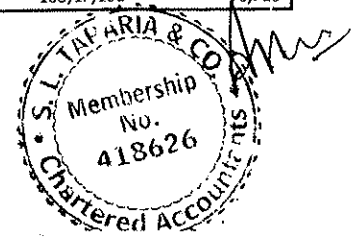
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**NOTES ON IND AS FINANCIAL STATEMENTS**

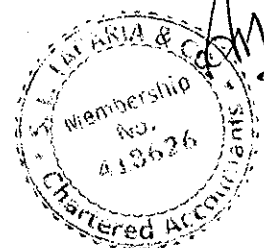
CIN : L24231UP1978PLC004583

Particulars	Figures	Figures
	as at 31.03.2019	as at 31.03.2018
<b>Note No. 4: Non Current Investments</b>		
1) Investment in partnership firm		
(a) Investment in AOP/Firm (Pir Panchal Construction - JV / Firm)	452,73,471	362,63,966
(b) Investment in AOP/Firm (Advance Stimul Consortium)	19,62,747	20,98,425
	<u>472,36,218</u>	<u>383,62,391</u>
<b>Additional Information</b>		
<b>Name of the Joint Venture</b>	<b>Place of incorporation</b>	<b>Share in Profit</b>
Pir Panchal Construction Pvt. Ltd. - JV	India	25%
Advance Stimul - Consortium	India	50%
2) Loans & Advances to related Party		
Secured, Considered Good	329,21,137	73,47,094
Unsecured, Considered Good		
Doubtful		
	<u>329,21,137</u>	<u>73,47,094</u>
3) Other Financial Assets		
(a) In Fixed Deposit	1052,79,925	1141,02,210
	<u>1052,79,925</u>	<u>1141,02,210</u>
<b>Note No. 5: Non Current Tax Assets</b>		
(a) Income-Tax (Paid under Protest and Refundable)	100,81,650	75,38,144
	<u>100,81,650</u>	<u>75,38,144</u>
<b>Note No. 6: Other Non Current Assets</b>		
(b) Loans & Advances (Unsecured, Considered Good) Security Deposits	54,49,746	50,06,230
	<u>54,49,746</u>	<u>50,06,230</u>
<b>Note No. 7: Inventories</b> (As taken, valued and certified by the Management)		
(a) Raw Material*	790,95,460	1754,32,662
(b) Finished Goods*	531,70,703	268,35,549
(c) Stock-in-Trade	-	7,41,645
(d) Stores & Spares*	82,05,816	119,53,628
(e) Scrap	142,28,764	70,16,519
(f) Stock in Transit (Jammu Unit)	-	2,46,450
	<u>1547,00,743</u>	<u>2222,26,453</u>
<b>Additional Information</b>		
* Raw Materials and Finished Goods are valued at lower of cost or market value.		
*Semi finished /Packing materials and Stores and Spares are valued at cost.		
<b>Note No. 8: Trade Receivables</b>		
(a) Outstanding for a period exceeding six months		
Secured, Considered Good	-	-
Unsecured, Considered Good	1203,78,510	1116,71,220
Doubtful	255,02,916	254,34,366
	1458,81,426	1371,05,586
Less: Provision for Doubtful Debts	255,02,916	254,34,366
	<u>1203,78,510</u>	<u>1116,71,220</u>
(b) Outstanding for a period less than six months		
Secured, Considered Good	2868,83,690	1446,64,970
Unsecured, Considered Good	-	-
Doubtful	-	-
	<u>2868,83,690</u>	<u>1446,64,970</u>
<b>Total (a+b)</b>	<u>4072,62,200</u>	<u>2563,36,190</u>
<b>Additional Information</b>		
Trade receivable include those Company/Firm in which any director is a member/director	468,47,404	90,715





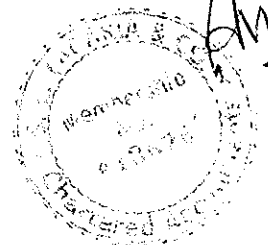
ADVANCE STEEL TUBES LIMITED		TTC	ADVANCE	
NOTES ON IND AS FINANCIAL STATEMENTS				
CIN : L24231UP1978PLC004583				
<b>Note No. 9:</b>				
1) Cash and Cash Equivalents				
(a) Cash in Hand		41,260	1,41,534	
		<u>41,260</u>	<u>1,41,534</u>	
2) Bank Balance				
(a) - in Current Account		6,64,479	26,18,551	
		<u>6,64,479</u>	<u>26,18,551</u>	
<b>Note No. 10: Other Financial Assets</b>				
(a) Loans & Advances (Unsecured, Considered Good)				
Secured, Considered Good				
(i) Unsecured, Considered Good		122,38,458	200,41,385	
Doubtful		-	-	
		<u>122,38,458</u>	<u>200,41,385</u>	
(ii) Employees		12,06,141	18,87,971	
(iii) Security/Earnest Money		27,56,995	32,36,719	
(iv) Other Advances*		77,40,054	103,92,287	
(b) Others:				
(i) - Deposit as Margin		300,92,895	295,36,667	
(ii) Balance with Revenue Authority		157,24,047	156,27,630	
		<u>697,58,590</u>	<u>807,22,659</u>	
*Other advances mainly included Price Escalation, rebate on purchases of raw material.				
<b>Note No. 11: Other Current Assets</b>				
(a) Export Incentives Receivables		13,32,572	8,38,786	
(b) Prepaid Expenses		1,86,327	1,65,197	
		<u>15,18,899</u>	<u>10,03,983</u>	
<b>Note No. 12: Current Tax Assets</b>				
(a) Advance Income Tax		40,44,071	61,11,811	
(with Tax deducted from parties)		<u>40,44,071</u>	<u>61,11,811</u>	
<b>A Notes No. 13: Equity Share Capital</b>				
Equity shares of Rs.10 each issued, subscribed and fully paid up				
		Numbers of Shares	Amount	
<b>AUTHORIZED</b>		50,00,000	500,00,000	
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
Balance as at 31st March, 2017		7,40,000	74,00,000	
Change in share capital during the year				
Balance as at 31st March, 2018		7,40,000	74,00,000	
Change in share capital during the year		-	-	
Balance as at 31st March, 2019		7,40,000	74,00,000	
(Refer Note No. 11)		-	-	
<b>B Notes No. 14: Other Equity</b>				
Particulars	Reserve and Surplus			
	Capital Reserve	Share Premium	General Reserve	Retained Earning
Balance as at 1st April 2017	1,25,000	50,00,000	7419,63,248	2,52,128
Profit for the year (2017-18)	-	-	-	48,67,055
Balance as at April 2018	1,25,000	50,00,000	7419,63,248	51,19,183
Profit for the year (2018-19)	-	-	475,00,000	(38,48,146)
Balance as at 31st March 2019	1,25,000	50,00,000	7894,63,248	12,71,037
				7958,59,285



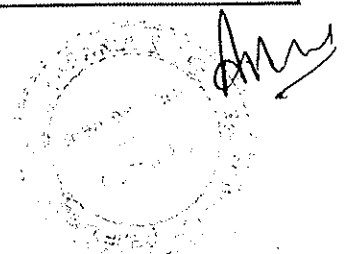
## NOTES ON IND AS FINANCIAL STATEMENTS

CIN : L24231UP1978PLC004583

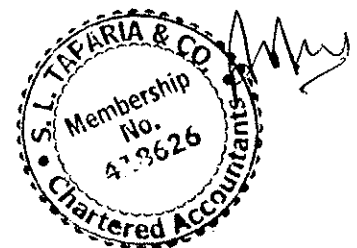
Particulars	Figures	Figures
	as at 31.03.2019	as at 31.03.2018
<b>Note No. 15: Borrowings</b>		
From Bank (Secured):		
Term Loans:		
Long term maturities of Finance Lease obligations**	354,48,856	362,63,608
Housing Loan from ICICI Bank**	27,28,952	31,43,385
Vehicle Loan from Banks*		
	17,64,166	21,17,427
Less: Current Maturity of Long Term Debt [See Note -9(a)]		
	<u>364,13,642</u>	<u>372,89,566</u>
<b>Additional Information</b>		
**Housing loan from bank secured against an exclusive charge of specified immovable properties of the company on a first charge basis. Further loan repayable with in a period 240 months as per repayment schedule of ICICI Bank Limited		
*Term Loan from bank secured against an exclusive charge on specified vehicles of the company on a first charge basis. Further loan repayable with in a period 36 to 60 months as per repayment schedule.		
<b>Note No. 16: Provisions</b>		
(a) Provision for Employee Benefits	18,19,826	43,20,595
	<u>18,19,826</u>	<u>43,20,595</u>
<b>Note No. 17: Deferred Tax Liabilities (Net)</b>		
Deferred Tax Assets on Account of:		
(a) Provision for Doubtful Debts	70,94,911	82,52,180
(b) Disallowance u/s 43B of the Income Tax Act, 1961	17,43,409	37,20,491
	<u>88,38,320</u>	<u>119,72,671</u>
(c) Deferred Tax Liabilities on account of:		
Depreciation	197,12,840	210,34,842
	<u>197,12,840</u>	<u>210,34,842</u>
<b>Deferred Tax Liabilities (Net)</b>	<u>(108,74,520)</u>	<u>(90,62,171)</u>
<b>Note No. 18: Borrowings</b>		
(a) From Banks:		
Cash Credit (Secured)*	795,43,148	471,69,003
(b) Loans From related Party (Unsecured)	521,47,626	470,17,743
(c) Loan from other Parties (Unsecured)		
	<u>1316,90,774</u>	<u>941,86,746</u>
<b>Additional Information</b>		
*Cash Credit from banks secured on pari-passu basis against hypothecation of inventories and book debts & fixed assets and mortgage of specified immovable properties of the company on a second pari-passu basis.		
<b>Note No. 19: Trade Payables</b>		
Sundry Creditors		
- Micro & Small and Medium Enterprises	43,41,830	
- Others	173,13,573	190,10,357
	<u>216,55,403</u>	<u>190,10,357</u>



ADVANCE STEEL TUBES LIMITED		
NOTES ON IND AS FINANCIAL STATEMENTS		
CIN : L24231UP1978PLC004583		
Particulars	Figures as at 31.03.2019	Figures as at 31.03.2018
<b>Note No. 20: Other Financial Liabilities</b>		
(a)(iii) Current Maturity of Long Term Debt [See Note -5]	17,64,166	21,17,427
	<u>17,64,166</u>	<u>21,17,427</u>
<b>Note No. 21: Other Current Liabilities</b>		
(a) Statutory Dues	122,55,915	17,98,042
(b) Security deposits Recd.	25,000	25,000
(c) Unclaimed dividend	1,21,500	1,70,000
(d) Credit balance of Customers	50,63,343	39,25,588
(e) Liability for Expenses	74,97,068	83,70,662
	<u>249,62,826</u>	<u>142,89,292</u>
<b>Note No. 22:</b>		
1) Provisions		
(a) Provision for Employee Benefits (Bonus)	37,10,202	34,22,648
(b) Provision for Dividend	14,80,000	-
(c) Other Provision		
-Provision for CSR	-	29,50,983
-Provision for Entry Tax	-	29,87,107
-Provision for Service Tax Liability	7,36,720	7,36,720
	<u>59,26,922</u>	<u>100,97,458</u>
2) Current Tax Liabilities		
(a) Provision for Income Tax	58,84,219	5,92,722
(b) Dividend Distribution Tax	3,04,214	-
	<u>61,88,433</u>	<u>5,92,722</u>
Particulars	Figures Year ended 31.03.2019	Figures Year ended 31.03.2018
<b>Note No. 23: Revenue from Operations:</b>		
(a) Sale of products	11696,28,042	7648,81,193
(b) Sale of Services	718,97,290	900,68,305
(c) Other Operating Revenues (Export Incentives)	11,91,941	-
	<u>12427,17,273</u>	<u>8549,49,498</u>
<b>Total</b>	<u>12427,17,273</u>	<u>8549,49,498</u>
<b>Note No. 24: Other Income:</b>		
(a) Interest Income (TDS Rs. 946,679/- Prev. Year Rs. 1,061,611/-) Net gain on foreign currency transactions (other than considered as finance cost)	105,50,923	106,29,505
(b) Other Non operating income comprises:		
i) Rental Income	3,60,000	3,60,000
ii) Share of Profit from partnership firm (Net)	243,73,826	35,95,293
iii) Refund received from Excise Deptt.	1,94,157	-
iv) Profit on Sale of assets	1,01,211	62,356
v) Excess Provisions W/Back (Net)	25,41,168	-
vi) Miscellaneous Income	11,52,704	4,22,191
vii) Freight Income	53,68,291	-
	<u>465,34,582</u>	<u>152,62,661</u>



ADVANCE STEEL TUBES LIMITED		
NOTES ON IND AS FINANCIAL STATEMENTS		
CIN : L24231UP1978PLC004583		
Particulars	Figures Year ended 31.03.2019	Figures Year ended 31.03.2018
<b>Note No. 25: Cost of Materials Consumed:</b>		
(a) Opening Stock	1752,52,596	2002,15,513
(b) Add: Purchases During the Year	8158,61,186	4524,62,346
	<u>9911,13,782</u>	<u>6526,77,859</u>
(c) Less: Closing Stock	790,95,460	1752,52,596
	<u>9120,18,322</u>	<u>4774,25,263</u>
<b>Consumption</b>		
<b>Additional Information:</b>		
<b>Product Wise Break -Up of Consumption</b>		
H.R. Coil	4639,21,652	3104,72,455
Zinc	852,52,778	617,40,336
Black Pipe	2114,01,851	255,18,320
Socket	14,00,768	26,57,205
Black Pole	194,05,955	-
Other Raw Material	1306,35,318	770,36,947
	<u>9120,18,322</u>	<u>4774,25,263</u>
<b>Note No. 26: Purchase of Traded Goods:</b>		
(a) Purchases During the Year	852,90,271	1296,60,620
	<u>852,90,271</u>	<u>1296,60,620</u>
<b>Note No. 27: Changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
<b>(1) Inventories at the beginning of the year:</b>		
(a) Work-in-Progress	338,52,068	796,85,085
(b) Finished Goods	9,21,711	7,41,645
(c) Stock-in-Trade	-	-
<b>(2) Inventories at the end of the year:</b>		
(a) Work-in-Progress	673,99,467	338,52,068
(b) Finished Goods	-	9,21,711
(c) Stock-in-Trade	-	-
	<u>(326,25,688)</u>	<u>456,52,951</u>
<b>(Increase)/Decrease during the year</b>		
<b>Note No. 28: Employees Benefit Expenses</b>		
(a) Salaries & Wages#	573,76,967	566,09,837
(b) Contributions to provident and other funds*	39,57,022	32,70,073
(c) Staff welfare expenses **	42,03,853	52,85,995
	<u>655,37,842</u>	<u>651,65,905</u>
<b>Additional Information</b>		
# Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.		
Employee would deem to include directors, in full time or part time employment of the Company, but would exclude directors who are not under a contract of employment with the Company.		
* Contribution to provident fund and other funds would include contributions to other funds like gratuity fund, etc. Pertaining to employees. Contributions to ESIC, Labour Welfare Fund and other such funds where the benefit an employee derives is not directly linked to the contributions made on his behalf are to be grouped as part of Staff welfare expenses.		
Penalties and other similar amounts paid to the statutory authorities are not in the nature of contribution hence not be included above.		
** Staff welfare expenses include accrual for post-employment medical benefits, ESIC, Labour Fund, etc.		



## NOTES ON IND AS FINANCIAL STATEMENTS

CIN : L24231UP1978PLC004583

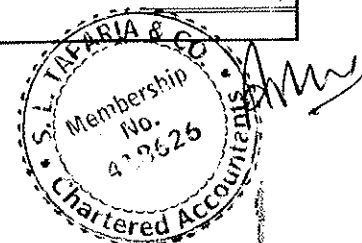
Particulars	Figures	
	Year ended 31.03.2019	Year ended 31.03.2018
<b>Note No. 29: Finance Cost</b>		
(a) Interest Expense on Borrowings		
(i) Interest on borrowings		184,99,684
a) Banks	128,55,369	
b) Other Parties	56,44,315	
(ii) Others interest	71,49,556	37,70,674
	256,49,240	218,86,361
(b) Other Borrowing Costs*	4,08,306	84,70,875
	350,57,546	303,57,236

**Additional Information**

\*Other borrowing costs would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts / premiums on borrowings, other ancillary costs incurred in connection with borrowings or amortisation of such costs, etc.

<b>Note No. 30: Other Expenses</b>		
(a) Consumption of stores and spare parts	281,01,921	176,19,350
(b) Power & Fuel	343,51,233	297,57,686
(c) Rent	17,48,251	12,36,700
(d) Repair & Maintenance - Building	26,68,308	7,39,778
(e) Repair & Maintenance - Plant & Machinery	21,66,814	11,24,388
(f) Insurance Expenses	9,05,259	4,92,006
(g) Rates & Taxes	30,72,626	4,21,637
Excise Duty	43,857	86,01,465
(h) <b>Other Miscellaneous Expenses</b>		
(i) Job/Erection Charges	483,95,816	117,44,503
(ii) Carriage Inward	50,95,838	30,95,379
(iii) Testing, Inspection & ISI Marking Fee	9,09,663	6,88,913
(iv) Freight Outward	-	60,41,428
(v) Commission & Brokerage	43,70,118	54,38,989
(vi) Claims & Shortage	106,27,599	14,83,972
(vii) Rebate & Discount	7,48,869	2,99,352
(viii) Packing Expenses	12,12,313	8,25,561
(ix) Advertisement & Publicity	52,097	69,742
(x) Sales Promotion expenses	5,52,672	18,20,376
(xi) Traveling Expenses	18,75,969	13,02,138
(xii) Vehicle Running, Maintenance & Conveyance Expenses	36,21,350	35,17,762
(xiii) Electricity Expenses	77,449	23,810
(xiv) Printing & Stationery	4,66,813	4,70,490
(xv) Other Repairs	13,34,740	12,85,866
(xvi) Postage & Telephones	9,73,804	11,01,673
(xvii) Auditor's Remuneration	-	-
(xviii) - Audit Fee	2,20,000	2,20,000
- Tax Audit Fees	35,000	35,000
- Certification	2,500	2,500
- Cost Audit Fees	55,000	55,000
(xix) Legal & Professional Charges	15,86,386	15,84,494
(xx) Loss on Sale of Assets	-	1,791
xxi) CSR Expenditure	49,017	-
xxii) Service Tax Paid	17,005	2,51,426
xxiii) Miscellaneous Expenses	8,33,123	7,63,392
xxiv) Charity & Donation	21,000	2,500
xxv) Miscellaneous Balance W/off.	12,45,093	2,39,209
xxvi) Bad debts	27,36,661	-
xxvii) Net Loss/Gain on FMS Scheme	11,182	-
xxviii) Provisions for Doubtful Debts written back	68,550	11,93,297
xxix) Prior Period Expenses (Net)	-	61,500
	1602,53,896	1036,13,073

<b>Note No. 31: Earning per Equity Share</b>		
(a) Net profit as per Profit & Loss statement	454,36,068	48,67,035
(b) Weighted average number of share of Rs. 10/- each end of the	7,40,000	7,40,000
	61	7



NOTE NO. 32 - OTHER INFORMATION / DISCLOSURE

1. Contingent Liabilities

A.	Current Year (Amount in ₹)	Previous Year (Amount in ₹)
Bank Guarantees	185,623,144	185,608,861

B. In the matter of Sale Tax / Central Sale Tax / VAT / Central Excise / Service Tax & Income Tax where the respective disputes have created demand has been provided for and the company has preferred appeal against the said demand at the appropriate authority against the show cause company has filed the reply pending for hearing or orders. The management is of the view that there shall be no demand.

C. The Company has taken the EPC Project of UPPTCL through PNC Infratech Limited & A2Z Maintenance & Engineering Services Limited. As per the terms of agreement UPPTCL has retained ₹62,536,078/- as penalty from time to time out of running payments due to completing the project caused by hampering by land owners from where transmission lines are passing. The company has already applied for the extension of time and is expected to get the time extension and expect no penalties shall be finally levied because of the above. The above amount is kept as recoverable from them and considered good. Liability if any on this account will be accounted for on the final outcome.

2. Share of profit from Pir Panchal Construction Pvt. Ltd. & Advance Stimul Consortium has recognized based on provisional accounts.

- a. Pir Panchal Construction Pvt. Ltd. – JV                      25,200,699/-
- b. Advance Stimul Consortium                                      (85,063)/-

Further share of profit increase / decrease shall account for in next year based on audited balance sheet & P&L and accordingly last year decrease in share of profit of 741,811/- has been recognized during the year.

3. Information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as under based on documents available with the company: -

	(Amount in ₹)	
	<u>2018-2019</u>	<u>2017-2018</u>
(i) Principal amount remaining unpaid to any supplier at the end of accounting year.	4,341,830/-	--
(ii) Interest due on above	--	--
<b>Total of (i) &amp; (ii)</b>	--	--
(iii) Amount of interest paid by the Company to the suppliers.	--	--
(iv) Amounts paid to the suppliers beyond the respective due date.	--	--
(v) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act.	--	--



- (vi) Amount of interest accrued and remaining unpaid at the end of accounting year. -- --
- (vii) 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 enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act. -- --
4. Inventory lying with third party / consignees are NIL.
- 5.1 Confirmations in respect of certain accounts of Debtors /Penalty deducted by customers have not been received and are subject to confirmations collection. The management is of the opinion that adjustment, if any arising out of such reconciliation now collection will be accounted for on final reconciliation.
- 5.2 Advance include Rs.30,00,000/- to M/s Yamuna Industries to purchase RCC Cement Poles & Slab factory in Yamuna Nagar hence the business could not be operationalized thus stands closed. The amount is recoverable only on disposal of Assets.
- 5.3 Advance include Rs.17,35,498/- being claim from United Insurance Company Ltd. on theft of Zinc in transit, further required document has been submitted for disposal of claim and is expected to receive in coming here.

**6. Related Party Disclosure**

Company's related parties in terms of AS- 18 are as disclosed below:-

1. Relationships

(a) Related parties in Advance Steel Tubes Limited where common control exists:

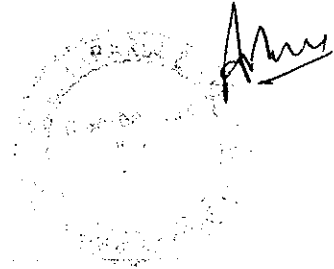
- Advance Ispat (India) Limited
- Tirupati Structural Limited
- Advance Enterprises (P) Limited
- Marda Commercial & Holding Limited
- Sophia Exports Limited
- ADV Drilling Products PLC

(b) Joint Venture / Firm

- Pir Panchal Construction Pvt. Ltd.
- Advance Stimul Consortium

(c) Key Management Personnel

- 1) Mr. D. N. Agarwal
- 2) Mr.Vatsal Agarwal
- 3) Ms. Parul Misra



# Advance Steel Tubes Limited

CIN : L24231UP1978PLC004583



ADVANCE

2. The following transactions were carried out with related parties in the ordinary course of business.  
Transactions with parties in item (a) above:

Particulars	Transaction during the Year 2018-2019						Outstanding Balance As at 31.03.2019		
	Loan Given	Loan Taken Back	Loan Taken	Loan Repaid	Sales & Service	Purchase, Services, Interest & Rent	Loan Liability	Loan Assets	Debtors/ Creditors
Marda Commercial & Holdings Ltd.	-- (--)	-- (--)	50,000 (--)	564,432 (16,770,950)	-- (--)	5,644,315 (5,285,708)	52,147,626 (47,017,743)	-- (--)	-- (--)
Advance Ispat (India) Limited	-- (--)	-- (--)	-- (86,104)	-- (86,104)	39,803,474 (35,268,647)	-- --	-- --	-- (--)	-- --
Tirupati Structural Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	857,694 (221,345)	106,554 --	-- (--)	-- (--)	195,730 (--)
Advance Enterprises Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1,200,000 (1,200,000)	-- (--)	-- (--)	-- (--)
Advance Infra Solutions Pvt. Ltd.	74,043 (71,462)	-- (67,354)	-- (--)	-- (--)	-- (--)	-- (673,542)	-- (--)	7,421,137 (7,347,094)	-- (--)
Pir Panchal Construction Pvt. Ltd. - Joint Venture	-- (--)	-- (--)	-- (--)	-- (--)	56,636,416 (--)	-- (--)	-- (--)	-- (--)	46,651,624 (1,237,500)

3. The detail of payment to key management personnel is as under:

Managerial Remuneration u/s 198 of the Companies Act, 2013 to Directors.

Key Management Personnel		Gross Salary Current Year (₹)	Gross Salary Previous Year (₹)
D.N. Agarwal	Managing Director / (CEO)	2,966,400	2,966,400
Vatsal Agarwal	CFO	6,00,000	6,00,000
Parul Mishra	Company Secretary	4,80,000	4,80,000

## 7. Segment Reporting

The Company is operating in a single business / geographical segment and therefore no additional disclosures are required.

## 8. Employee Benefits:

### (a) Defined Contribution Plans

The Company has recognized the contribution in the Profit & Loss Account for the financial year 2018-19.

### 9. (a) Defined Benefit Plans & other Long Term Benefits:

The following disclosures are made in accordance with IND AS-19 (Revised) pertaining to Defined Benefit Plans & Other Long Term Benefits:





# Advance Steel Tubes Limited

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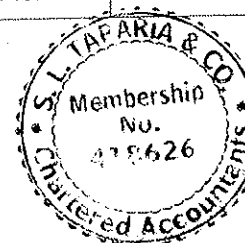
ADVANCE

(Amount in ₹)

I. Assumptions:	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	As of 31.03.2018	As of 31.03.2019	As of 31.03.2018	As of 31.03.2019
Discount Rate	7.75%	7.65%	7.75%	7.65%
Rate of increase in Compensation levels	5.00%	5.00%	5.00%	5.00%
Average remaining working lives of employees (years)	14.75	15.30	14.75	15.30

II. Table showing changes in present value of obligations:	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	01.04.17 to 31.03.18	01.04.18 to 31.03.19	01.04.17 to 31.03.18	01.04.18 to 31.03.19
Present Value of Obligation as at the beginning of the period	11917274	12801248	988604	1084022
Acquisition adjustment	Nil	Nil	Nil	Nil
Interest Cost	864002	992097	71674	84012
Past Service Cost	870590	Nil	Nil	Nil

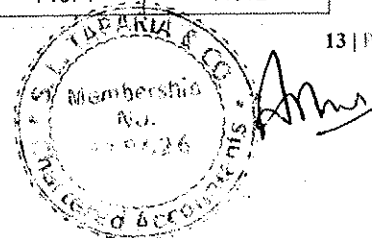
II. Table showing changes in present value of obligations:	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	01.04.17 to 31.03.18	01.04.18 to 31.03.19	01.04.17 to 31.03.18	01.04.18 to 31.03.19
Current Service Cost	956768	1068313	166331	273853
Gains or Losses on Non Routine Settlements	Nil	Nil	Nil	Nil
Curtailment Cost / (Credit)	Nil	Nil	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
Benefits paid	-1419035	-524230	-120885	-233213
Actuarial (gain)/ loss on obligations	-388351	-2812519	-21702	-95643
Present Value of Obligation as at the end of the period	12801248	11524909	1084022	1113031
<b>III. NET INTEREST COST:</b>				
Interest Cost on Defined Benefit Obligation	864002	992097	71674	84012
Interest Income on Plan Assets	732979	703626	Nil	Nil
Net Interest Cost / (Income)	131023	288471	71674	84012





IV. Bifurcation of actuarial (Gain) / Loss:				
Actuarial (Gain) / Loss on arising from Change in	Nil	Nil	Nil	Nil
Demographic Assumption	Nil	Nil	Nil	Nil
Actuarial (Gain) / Loss on arising from Change in Financial Assumption	-349808	63630	-39281	6947
Actuarial (Gain) / Loss on arising from Change in Experience Assumption	-38543	-2876149	17579	-102590
Total - Actuarial (Gain) / Loss on obligations -	-388351	-2812519	-146571	-21702
V. ACTUARIAL GAIN / LOSS – PLAN ASSETS:				
Actual income on plan assets	720871	818793	Nil	Nil
Expected Interest Income	732979	703626	Nil	Nil
Actuarial (Gain) / Loss – Plan Assets	12108	-115167	Nil	Nil

VI. CHANGES IN THE FAIR VALUE OF PLAN ASSETS:	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	01.04.17 to 31.03.18	01.04.18 to 31.03.19	01.04.17 to 31.03.18	01.04.18 to 31.03.19
Fair Value of Plan Assets at the beginning of the period	10110057	9079040	Nil	Nil
Acquisition Adjustments	Nil	Nil	Nil	Nil
Actual Return on Plan Assets	720871	818793	Nil	Nil
Contributions	77995	1444511	Nil	Nil
Charges deducted	Nil	Nil	Nil	Nil
Benefits Paid	-1344248	-524230	Nil	Nil
Fair Value of Plan Assets at the end of the period	9564675	10818114	Nil	Nil
VII. The amounts to be recognized in balance sheet:				
Present Value of Obligation as the end of the period	12801248	11524909	1084022	1113031
Fair Value of Plan Assets as at the end of the period	9564675	10818114	Nil	Nil
Net Asset / (Liability) Recognized in Balance Sheet	-3236573	-706795	-1084022	-1113031
VIII. The amounts recognized in the income statement:				
Current Service Cost	956768	1068313	166331	273853
Past Service Cost Vested	870590	Nil	Nil	Nil
Past Service Cost Non-Vested	Nil	Nil	Nil	Nil
Net Interest Cost	131023	288471	71674	84012



# Advance Steel Tubes Limited

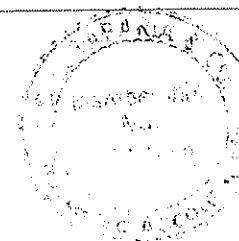
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Expense recognized in the income statement	1958381	1356784	238005	357865
<b>IX. Other Comprehensive Income (OCI):</b>				
Net Cumulative unrecognized actuarial (gain) / loss Opening	Nil	Nil	Nil	Nil
Actuarial (gain) / loss for the year on PBO	-388351	-2812519	-21702	-95643
Actuarial (gain) / loss for the year on Plan Asset	12108	-115167	Nil	Nil
Unrecognized Actuarial (gain) / loss at the end of the year	Nil	Nil	Nil	Nil
Total Actuarial (gain) / loss at the end of the year	-376243	-2927686	-21702	-95643

X. Change in net defined benefit obligation:	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	01.04.17 to 31.03.18	01.04.18 to 31.03.19	01.04.17 to 31.03.18	01.04.18 to 31.03.19
Net Defined Benefit Liability at the start of the Period	1807217	3722208	988604	1084022
Past Service Cost Vested	870590	Nil	Nil	Nil
Service Cost	956768	1068313	166331	273853
Net Interest Cost / (Income)	131023	288471	71674	84012
Re-measurements	-376243	-2927686	-21702	-95643
Contribution paid to the fund	-77995	-1444511	Nil	Nil
Benefit paid directly by the enterprise	-74787	Nil	-120885	-233213
Charges deducted	Nil	Nil	Nil	Nil
Net defined benefit liability at the end of the period	3236573	706795	1084022	1113031
<b>XI. Bifurcation of PBO at the end of year in current and non-current:</b>				
Current liability (Amount due within one year)	3750811	2367991	307853	272065
Non-Current liability (Amount due over one year)	9050437	9156918	776169	840966
Total PBO at the end of year	12801248	11524909	1084022	1113031
<b>XII. Expected contribution for the next annual reporting period:</b>				
Service Cost	3750811	1185827	176311	290284
Net Interest Cost	9050437	5070	84022	85147
Net Periodic Benefit Cost	12801248	1239897	260323	375431



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# Advance Steel Tubes Limited

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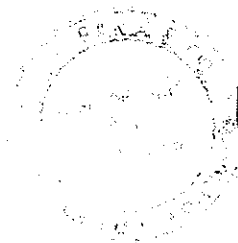
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XIII. Sensitivity analysis of the defined benefit obligation:				
a) Impact of the change in Discount Rate present value of obligation at the end of the period	12801248	11524909	1084022	1113031
1. Impact due to increase of 0.50%	-394027	-394027	-53381	-42221
2. Impact due to decrease of 0.50%	367438	362166	-43274	57824
b) Impact of the change in Salary Increase present value of obligation at the end of the period	12801248	11524909	1084022	1113031
1. Impact due to increase of 0.50%	377359	371944	-54822	-43361
2. Impact due to decrease of 0.50%	-404666	-399288	-44442	59385
<i>Sensitivities due to mortality &amp; withdrawals are insignificant &amp; hence ignored.</i>				

XIV. Maturity profile of defined benefit obligation:	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	01.04.17 to 31.03.18	01.04.18 to 31.03.19	01.04.17 to 31.03.18	01.04.18 to 31.03.19
a) March 2019 to March 2020	3778383	2466575	294613	257559
b) March 2020 to March 2021	599521	1158784	33213	62587
c) March 2021 to March 2022	1360452	313257	74212	48065
d) March 2022 to March 2023	270676	260164	35387	34131
e) March 2023 to March 2024	207436	1005055	42844	65966
f) March 2024 to March 2025	894184	2590113	62973	34703
g) March 2025 onwards	7768210	5680496	805423	887642

**Note:**

- a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
  - b) The company estimates that the amount to be contributed to the Gratuity fund for the financial year 2019-20 will be ₹5.00 Lac.
  - c) Comparative values of defined plans for the current year & previous three years instead of four financial years, as required by AS-15 (Revised), are provided, this being the year of adoption of the standard.
  - d) The liability towards the earned leave for the year ended 31<sup>st</sup> March, 2019, based on actuarial valuation is amounting to ₹1,113,031/- (P.Y. ₹1,084,022/-) Lac has been recognized in the profit & loss account.
10. Disclosure of the Company's interest in joint venture as per the Accounting Standard relating to financial reporting of interest in Joint Venture (AS 13):
- (a) Aggregate amount of each of the assets, liabilities, income and expenses related to extant interest of the Company in Pir Panchal Construction Pvt. Ltd. – JV and Advance Stimul Consortium- Joint Venture.



# Advance Steel Tubes Limited

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Particulars	Pir Panchal Construction (P) Ltd. - JV		Advance Stimul Consortium	
	Current Year (Provisional)	Previous Year (Audited)	Current Year (Provisional)	Previous Year (Audited)
Assets	135,671,940	71,640,977	28,581,377	28,689,576
Capital	45,273,470	20,072,771	1,739,280	1,824,343
Liabilities	90,398,470	51,568,206	26,842,098	26,865,233
Income	184,807,279	47,441,714	17	6,397
Expenses	145,504,877	41,078,134	85,080	106,483
Tax Expense	--	--	--	--
Contingent Liability - BG O/s	--	--	--	--
Capital Commitments	--	--	--	--

(b) List of Joint Ventures / Firm

Sr. No.	Name of the Joint Venture	Interest	Place of incorporation
1.	Pir Panchal Construction Pvt. Ltd. - JV / Firm	25%	India
2.	Advance Stimul – Consortium	50%	India

11. Earning in Foreign Exchange

FOB Value of Export ₹24,141,602 (P.Y.Nil)

Value of Trading Export (From China) ₹47,446,121/- (P.Y.₹1,101,302,198)

12. The Company has the following un-hedged exposures in foreign currencies as at the yearend:

Sr. No.	Particulars	As at 31 <sup>st</sup> March '2019		As at 31 <sup>st</sup> March '2018	
		USD (\$)	INR (₹)	USD (\$)	INR (₹)
1.	Trade Receivables	2049.30	142,529	201926.17	13,133,278

13. Value of import on CIF basis

Raw Material ₹NIL (P.Y.₹NIL)

Trading Material ₹ 43,326,672/- (₹ 100,500,849/-)

Capital Goods ₹3,415,105/- (P.Y. ₹ 22,25,595)

Store Goods ₹75,967/- (P.Y.₹ 82,166/-)

14. Expenditure in Foreign Currency ₹3,438,915/- (P.Y.₹ 3,567,850/-)

# Advance Steel Tubes Limited

CIN : L24231UP1978PLC004583

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ADVANCE

In terms of our report attached

For S.L. Taparia & Company

Chartered Accountants

Firm No. 000540/C


Membership  
No.


418626

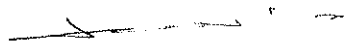
S.L. Taparia & Company

Partner M. No. 418626

Radha Serveswar Mandir  
Near IDBI Bank, Madhav Ganj,  
Kishan Garh, Rajasthan

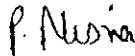
  
D. N. Agarwal  
(Managing Director)  
DIN: 00586794  
B-16, Swasthya Vihar  
Delhi

  
Vatsal Agarwal  
(C.F.O.)  
B-16, Swasthya Vihar  
Delhi

  
Lalit Agarwal  
(Director)  
DIN: 00109920  
B-16, Swasthya Vihar  
Delhi

Place : Sahibabad

Date 28/05/2019

  
Parul Mishra  
(Company Secretary)  
M. No.: A16018  
A-725, Gaur Green Avenue,  
Vaishali, Ghaziabad (UP)