

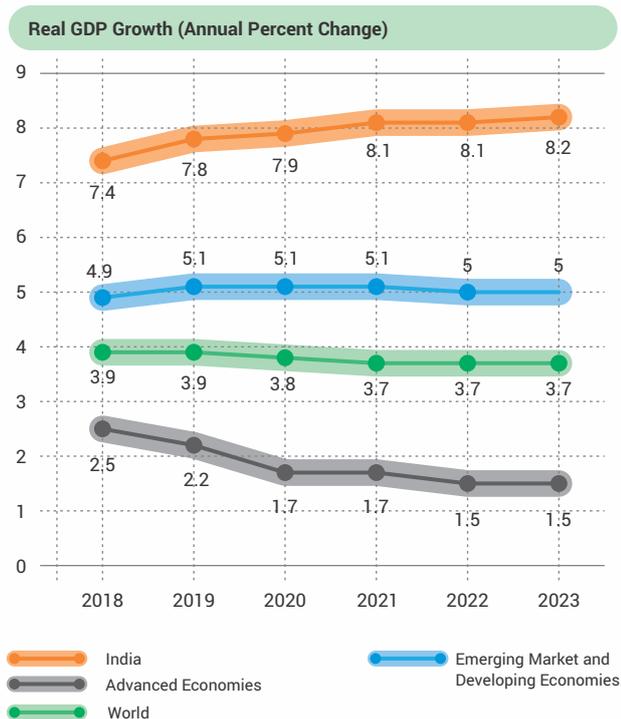
MANAGEMENT DISCUSSION & ANALYSIS

Upbeat Macroeconomic Trends

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

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

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



Record-breaking year for Ratnamani

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

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

Steel Pipes and Tubes on the upswing

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

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



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

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

Stainless Steel Division on the fasttrack

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

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

Oil & Gas, Petrochemicals and Refineries

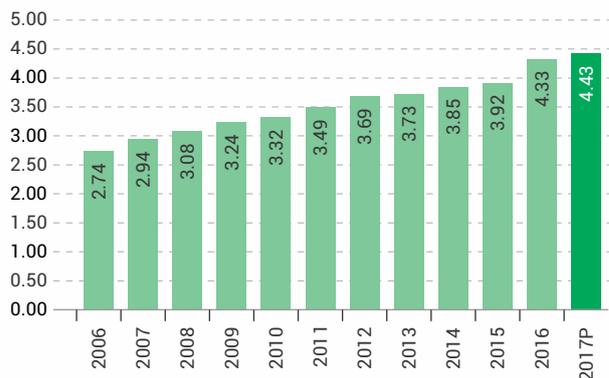
India is the second largest refiner in Asia with an oil refining capacity of 247.6 MT as on May 1, 2018 [Source: IBEF]. The Country is the World's fourth largest consumer of energy and Oil & Petroleum products and fourth largest LNG importer. Oil & Gas account for 35.61% of total energy consumption in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

Oil consumption has expanded at a CAGR of 2.98 per

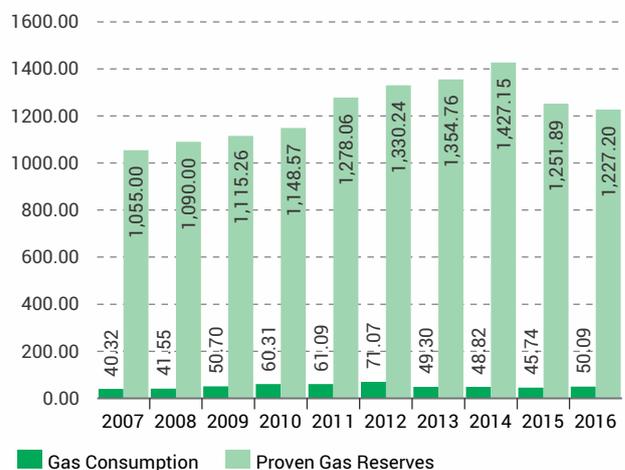
cent during the Financial Years 2008-2017 to reach 4.43 mbpd by 2017. Rapid economic growth is leading to greater outputs, which in turn is increasing the demand of Oil for production and transportation. [Source: IBEF]

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

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



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





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

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

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

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

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

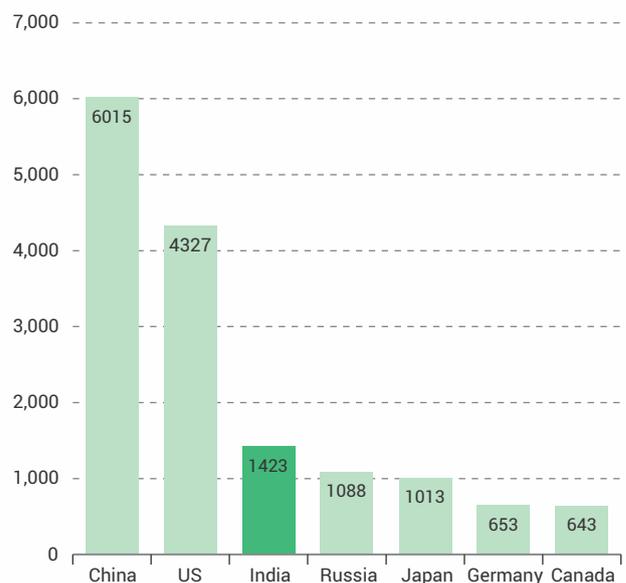
LNG:

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

Power - Thermal, Solar and Nuclear Sector

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

World's leading electricity producers in 2016 (TWh)



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

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

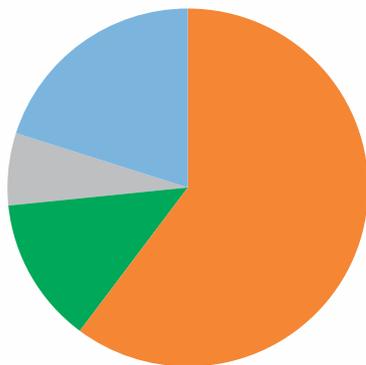
Sector-Wise Capacity of Fertilizer Manufacturing Units for 2015-2016 and 2016-2017 (figures in *LMT)

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

Source: Department of Fertilizer

* LMT stands for Lakh Metric Tonnes

Sources of Power with Shares in Total Installed Capacity



● Thermal (Coal + Gas) – 64.78% ● Renewable – 20.08%
● Hydro – 13.17% ● Nuclear – 1.97%

[Source: IBEF]

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

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

Fertilizer Plants

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

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

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

Atomic Energy and Aerospace

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

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

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

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

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

India's Nuclear Power Reactors under Construction

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

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

New Projects in Niche Segments

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

Carbon Steel Division on a growth arc

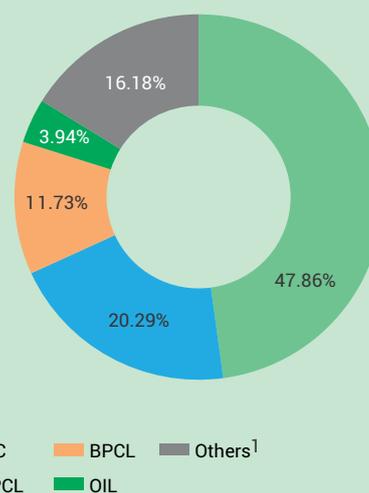
Ratnamani's Carbon Steel Division manufactures Electric Resistance Welded (ERW) and Submerged Arc Welded (L-SAW & H-SAW) pipes. F.Y.18 registered very good order inflows to the tune of Rs.2000 crores, including international orders of more than Rs.550 crores. The Water Sector contributed the most to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

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

Oil & Gas Transmission Lines

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

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

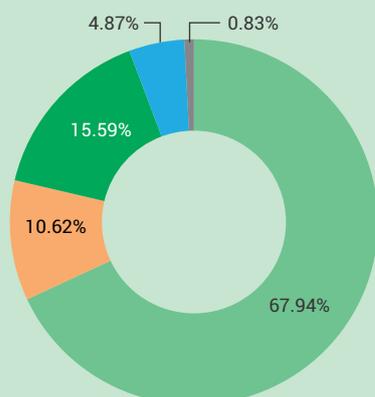


Crude Pipeline having a capacity of 141.2 mmtpa. In terms of length, IOCL accounts for 51.33% (5,301 km) of India's Crude Pipeline Network. In terms of actual capacities, ONGC leads the pack with a share of 41.43%, followed by IOCL at 34.42%. [Source: IBEF]

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

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

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

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

■ GAIL ■ Reliance ■ Others⁴
■ ARN ■ GSPL



Natural Gas Consumption in India (2008 - 2017)

(in BCM)

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

Note: Gas Consumption includes Internal Consumption. Source: PPAC

LNG Import Trend in India (2008 - 2017)

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

Source: PPAC

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

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

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

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

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

City Gas Distribution lines

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

Potable Water Transmission Lines and Irrigation

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



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

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

The 'Make in India' Effect

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

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

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

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

Internal Control system and their adequacy

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

Risk and Concerns

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

Industrial and Human Resource Management

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

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

Environment and Safety

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

Bright Outlook

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



Business Responsibility Report

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

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

SECTION C: OTHER DETAILS:

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

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

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

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

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

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

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

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

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

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

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	N	Y	Y	Y	Y	R	Y	R
			N			N		e		e
			o			o		f		f
			t			t		e		e
			e			e		r		r
			-			-		N		N
			1			2		0		0
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-	t	Y	t
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	Y	-	-	Y	-	-	e	Y	e
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	-	Y	Y	-	3	Y	4

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR

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

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

b) Details of the BR Head :

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

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

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

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

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

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

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

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

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

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

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

Governance related to BR

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No.

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

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

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

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

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

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

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

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

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

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

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

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

1. **Has the company mapped its internal and external stakeholders? Yes/No**
Yes, the company has mapped its internal and external stakeholders.
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders, namely the communities around its manufacturing sites and its workers, supervisory staff.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
The company has identified the need of the communities spread around its significant area of business / manufacturing units for providing education to children in rural areas, promotion of preventive healthcare in rural areas, enhancing vocational skills amongst women and children, ensuring environmental sustainability, conservation of ecology, etc.

Principle 5: Businesses should respect and promote human rights

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

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

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

The policy related to Principle 6 covers only the Company.

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

No.

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

Yes, the Company have identified potential environmental risks.

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

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

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

Yes.

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

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

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

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

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

Nil

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

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

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

- Bombay Chamber of Commerce and Industry
 - Gujarat Chamber of Commerce and Industry
 - Ahmedabad Management Association
 - Process Plant and Machinery Association of India
 - Federation of Industries of India
 - Federation of Kutch Industries Associations
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

1. Education of children in rural areas :

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

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

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

2. Health and Sanitation:

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

3. Rural Transformation:

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

4. Enhancing vocational skills amongst women and children:

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

5. Ensuring Environmental sustainability / Conservation of Ecology:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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