



# Life demands. We **deliver**

Utkarsh India Limited | Annual Report 2018-19

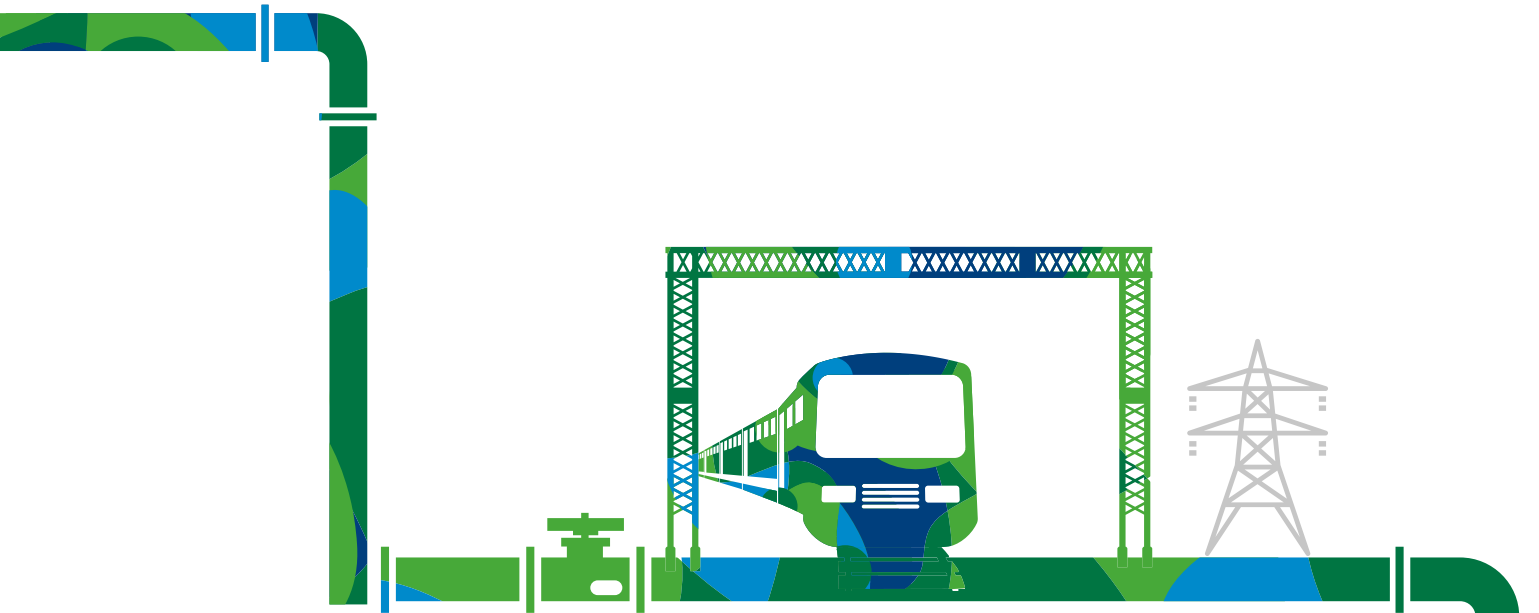


**Forward-looking statement:** In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# 9 things you need to know about Utkarsh India Limited



**Background:** Utkarsh India Limited went into business three decades ago as a pipe manufacturer. Over the past decades, the Company extended into adjacent business segments and is now respected as a manufacturer of products servicing the infrastructure sector within and outside India.

**Promoters:** The Company has been promoted by Mr. Sunil Bansal and his family, who own a majority stake. The Company is unlisted.

**Management:** The Company is managed by Mr. Sunil Bansal (Chairman and Managing Director) who is supported by a competent team of professionals.

**Products:** The Company is engaged in the manufacture of a diverse range of products that address the

growing need of the infrastructure sector - railway electrification structures, high mast, polygonal/conical poles and steel tubular poles, polymer products, metal beam crash barriers, steel pipes and transmission line towers and substation structures.

**Location:** The Company is headquartered in Kolkata. Its automated and modern manufacturing facilities are located in the city's outskirts at Jangalpur and Gurap.

**Brand:** The Company's products are marketed under the Utkarsh brand, which is respected for product integrity, durability, delivered solutions and a superior price-value proposition.

**People:** The Company's principal

strength lies in its deep knowledge of engineering and fabrication capabilities. There were 580 employees on the Company's payroll as on 31st March 2019. Many of the employees have been working with the Company for an extended period.

**Footprint:** The Company markets a majority of its products in India. The Company earned 94.52% of its revenues from domestic operations and exported 5.48% of its output to Germany, Belgium and Australia, among others, in FY2018-19.

**Growth:** The Company posted revenues of ₹1,154.41 crore and a profit after tax of ₹23.13 crore in FY2018-19, reflecting a growth of 38.11% and 79.61% respectively than the previous financial year.



## Directors' profile

### Utkarsh Bansal

Having graduated with B.Sc. in Industrial Engineering and Operations Research from the University of California, Berkeley, Utkarsh Bansal heads the Company's business strategy and is involved in increasing its global presence. He has been integral in evolving the Company from a traditional manufacturer into a modern manufacturer implementing JIT and lean manufacturing among others. He has completed his Masters in Business Administration from The Indian School of Business, Hyderabad. He is constantly looking for new and innovative solutions and represents the ambition of our Company.

### Sunil Bansal

Mr. Sunil Bansal is the founder of Utkarsh India Limited (formerly known as Utkarsh Tubes & Pipes Limited). He is the Chairman and the Managing Director of the Company. His 25 years of experience in the industry have helped the Company grow rapidly, penetrating various product segments. His leadership has enabled the brand to emerge as one of the leading players in each product segment. Mr. Bansal was successful in building a structured organisation which has allowed the Company to deliver excellence in the areas of service and quality.



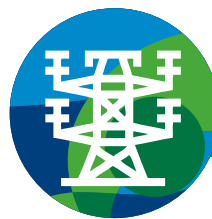
## Mission

Utkarsh India Limited is committed to excellence through quality products and services at the most competitive price-value proposition leading to inclusive growth for all our stakeholders.

## Vision

Utkarsh India Limited aims to emerge as an industry benchmark across each of its verticals through a combination of ethical standard, operating efficiency, product quality and superior service. Our goal is to emerge as a preferred partner for all our stakeholders through a consistent ability to enhance their respective value.

# Milestones

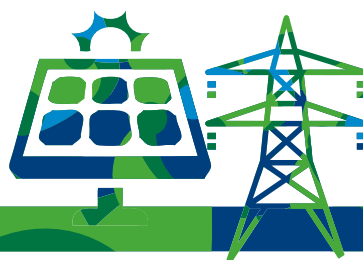


## 2003

Utkarsh India Limited commenced operations at the Jangalpur plant acquired via de-merger with the production of MS and GI ERW pipes. The Company also commenced the manufacture of PVC pipes and fittings.

## 2004

Commenced the manufacture of octagonal poles and high masts.



## 2006

Commenced the production of telecom towers.

## 2007

Achieved an annual gross turnover of ₹200 crore.

## 2011

Commenced the production of CORE-approved railway electrification structures for OHE and TSS.

## 2013

Approved by Power Grid Corporation of India Limited for transmission line towers and substation structures. The Company commenced production of transmission line towers and substation structures.

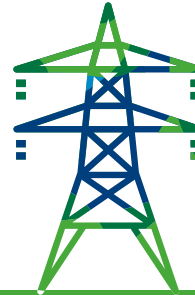


## 2014

Commenced the production at the Gurap plant.

## 2015

Commenced manufacture of W-beam and Thrie-beam crash barriers.



## 2017

Evolved corporate identity from Utkarsh Tubes and Pipes Limited to Utkarsh India Limited, reflecting the Company's expansion from pipes manufacture to a manufacturer of infrastructure products.

## 2017

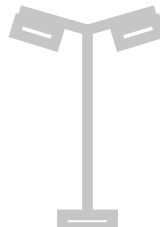
Total revenue of the Company crossed ₹800 crore.

## 2018

Total revenue of the Company crossed ₹1,100 crore.

## 2018

Net profit crossed ₹23 crore.



### Awards

- Received Eastern Region Export Excellence Award from Federation of Indian Export Organisations for FY2014-15
- Received the Certificate of Recognition of One Star Export House in the year 2015
- Brand of the year, The Emerging No. 1, PVC Pipes of the year 2018 from World Consulting and Research Corporation

- Recognised as '10 Most Admired Companies in Manufacturing Industry' by *Insight Success* magazine for 2018
- Entrepreneur Award 2019 for 'Best Financial Performance'

### Our certifications

- ISO 14001: 2015
- ISO 9001:2015
- OHSAS 18001: 2007

## Some of the approvals

### Transmission Line and Telecom Towers

- Power Grid Corporation of India
- Bihar State Power Transmission Company Limited
- Bihar Grid Corporation of India Limited
- Odisha Power Transmission Corporation Limited
- Jharkhand Urja Sancharan Nigam Limited
- Gujarat Energy Transmission Corporation
- Andhra Pradesh Transmission Corporation
- Assam Electricity Grid Corporation
- West Bengal State Electricity Distribution Company Limited

### GI Pipes

- Public Health Engineering Department
- Water Resource Development Department
- Drinking Water and Sanitation Department
- Rural Water Supply Department
- Public Works Department

### Railway electrification structures

- Approved PART I, Core Allahabad

### PVC AND HDPE

- Public Health and Engineering Department
- West Bengal State Electricity Transmission Company Limited
- National Thermal Power Corporation
- Public Works Department (Mumbai)
- Uttar Pradesh Jal Nigam
- Assam PHED (Hojai)
- Bhutan Standard Bureau
- National Thermal Power Corporation Limited
- Military Engineer Service
- South East Central Railway
- West Bengal State Electricity Distribution Company Limited

### Steel tubular poles

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• REC Power Distribution Company Limited</li> <li>• Andhra Pradesh Transmission Corporation</li> <li>• Transmission Corporation of Telangana Limited</li> <li>• Maharashtra State Electricity Distribution Co. Limited</li> <li>• Manipur State Power Distribution Company Limited</li> <li>• South Bihar Power Distribution Company Limited</li> <li>• North Bihar Power Distribution Company Limited</li> </ul> | <ul style="list-style-type: none"> <li>• Kolkata Metropolitan Development Authority</li> <li>• Public Works Department</li> <li>• Central Public Works Department</li> <li>• West Bengal State Electricity Distribution Company Limited</li> <li>• Jharkhand Bijli Vitaran Nigam Limited</li> <li>• Jharkhand Urja Sancharan Nigam Limited</li> <li>• Andaman and Nicobar State Electricity Board</li> <li>• Bhutan Power Electricity</li> </ul> | <ul style="list-style-type: none"> <li>• Tripura State Electricity</li> <li>• National Thermal Power Corporation Limited All Sector</li> <li>• Kolkata Municipal Corporation</li> <li>• Manipur State Electricity Board</li> <li>• Kothagudem Thermal Power Station</li> <li>• Bokaro Thermal Power Station</li> <li>• Eastern Coalfields Limited</li> <li>• Northern Coalfields Limited</li> <li>• South Eastern Coalfields Limited</li> </ul> |
|--|--|---|



High Mast and  
Polygonal/Conical Pole**INDIAN RAILWAYS**

- Eastern Railway
- South Eastern Railway
- East Coast Railway
- Southern Railway
- South Central Railway
- South East Central Railway
- Northern Railway
- North Western Railway
- North Frontier Railway
- West Central Railway
- Delhi Metro Railway Corporation Limited

**PUBLIC WORKS DEPARTMENT  
& CENTRAL PUBLIC WORKS  
DEPARTMENT**

- West Bengal PWD & CPWD
- Delhi PWD
- UP PWD
- Haryana PWD
- Rajasthan PWD
- Gujarat PWD
- MP PWD
- Punjab PWD
- Maharashtra PWD

**PUBLIC SECTOR  
UNDERTAKINGS**

- Indian Oil Corporations Limited
- Neyveli Lignite Corporation
- Airport Authority of India Limited
- National Thermal Power Corporation Limited
- Krishak Bharti Cooperative Limited Gujarat
- Container Corporation of India Limited

**PORT TRUST**

- Calcutta Port Trust
- Paradeep Port Trust
- Visakhapatnam Port Trust
- Chennai Port Trust
- Kamaraj Port Trust
- Jaigard Port, Maharashtra
- Tuticorin Port Trust

**DEVELOPMENT AUTHORITY &  
CORPORATIONS**

- West Bengal Housing Infrastructure Development Corporation Limited
- Haldia Development Authority
- All Corporations in West Bengal
- Asansol Durgapur Development Authority
- Haryana Urban Development Authority
- Uttar Pradesh Housing Board
- Mathura Brindavan Development Authority

- Delhi Development Authority
- Municipal Corporation of Delhi
- Lucknow Development Authority
- Pune Chinchwad Municipal Corporation
- Maharashtra Industrial Development Corporation
- Gujarat Industrial Development Corporation
- Delhi Jal Board
- Rajasthan State Industrial Development and Investment Corporation, Jaipur

- Noida Development Authority
- Delhi State Agricultural & Marketing Board
- Uttar Pradesh Mandi Marisad
- Madhya Pradesh Laghu Udyog Nigam Limited
- Jaipur Development Authority
- Ghaziabad Development Authority
- Odisha Industrial Infrastructure Development Corporation, Bhubaneswar

THE REAL UTKARSH

# Present in everyday lives

Utkarsh India Limited is present in everyday lives – more than most people would know.



Utkarsh is present in high mast poles from which the Indian flag is hung.

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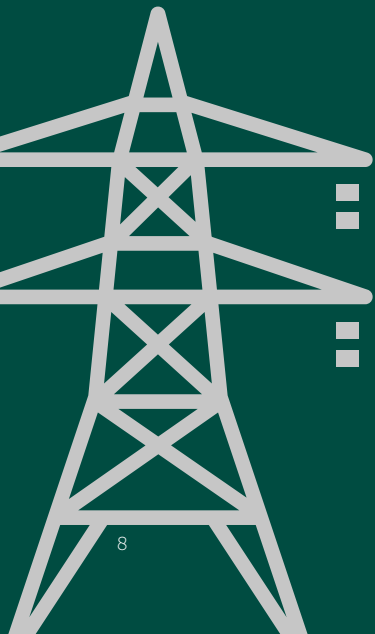


Utkarsh is present in the octagonal poles on which street lighting is fixed.

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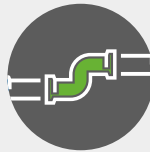
Utkarsh is present in the PVC pipes that transport water through networks (urban and rural) to user taps.







Utkarsh is present in the metal beam crash barriers that make driving on highways and expressways safer.



Utkarsh is present in the large network of steel pipes used in industrial applications.



Utkarsh is present in the transmission line towers and substation structures that bring power to consumers.

The result is that Utkarsh touches people deeper than most realise – making lives safer, healthier and convenient.

# Life demands. We deliver

## Life demands

### Increased aspirations

Road safety, urban safety, water hygiene, product durability, pollution reduction and electricity delivery to the last mile

Increased national spending in these areas

Building nations and communities, grassroots upwards

## We deliver

### Engineered products

Provide an attractive products basket

Provide various grades within each product

Customise as per needs

Provide a single-stop solution

Deliver a superior price-value proposition

The real Utkarsh

## At the core of the 'core'

Utkarsh is a faithful proxy of a progressive India.

The big message is that by being present at the core of India's core sector, if India grows, Utkarsh grows.

What is good for the country is good for the Company.

India is among the two fastest growing major economies and likely to sustain this position across the foreseeable future.

India's growth is accelerating; it took the country 60 years to achieve its first trillion dollars in economic size. India replicated this growth in just the next seven years. India now expects to grow four-fold from around US\$ 2.6 trillion in economic size into a US\$ 10 trillion economy in the next 15 odd years.

We believe we have achieved a critical mass in our positioning at the core of India's core sector. The result is that India's growth has already begun to translate into a disproportionately higher growth at our company.

As India sustains its position as one of the fastest growing global economies, Utkarsh is likely to report even faster growth, enhancing stakeholder value across the foreseeable future.

The real Utkarsh

# Successful B2C brand builder

**At Utkarsh, we are not an anonymous engineering company.**

We are a brand-led company, standing for a distinctive recall in the minds of our people.

Our name generates recalls like 'dependable', 'innovative', 'passionate' and 'superior value'.

This brand recall works at two levels – one, it works at the corporate level when one discusses our Company in general; two, it works at the product level when one discusses our polymer products.

During the last few years, Utkarsh has established its capability in transforming from a longstanding B2B background into a branded B2C presence.

The success of this transformation is reflected in the numbers: the Company has emerged as the second largest polymer pipes in Eastern India. The Company ensured that its products are available across 3,500 retail in eastern India. The Company accounted for around 15% share of the region's polymer pipes market.

Reinforcing the conviction that the Company possesses the capability to extend from the B2B to the B2C segment whenever an opportunity arises, launching relevant brands, enhancing its interface with consumers and increasing value for the Company.



## The real Utkarsh

# A focused engineering company

**At Utkarsh, we believe that we are not necessarily a poles or pipes company.**

We are a core engineering company that possesses a deep multi-decade competence in fabrication excellence.

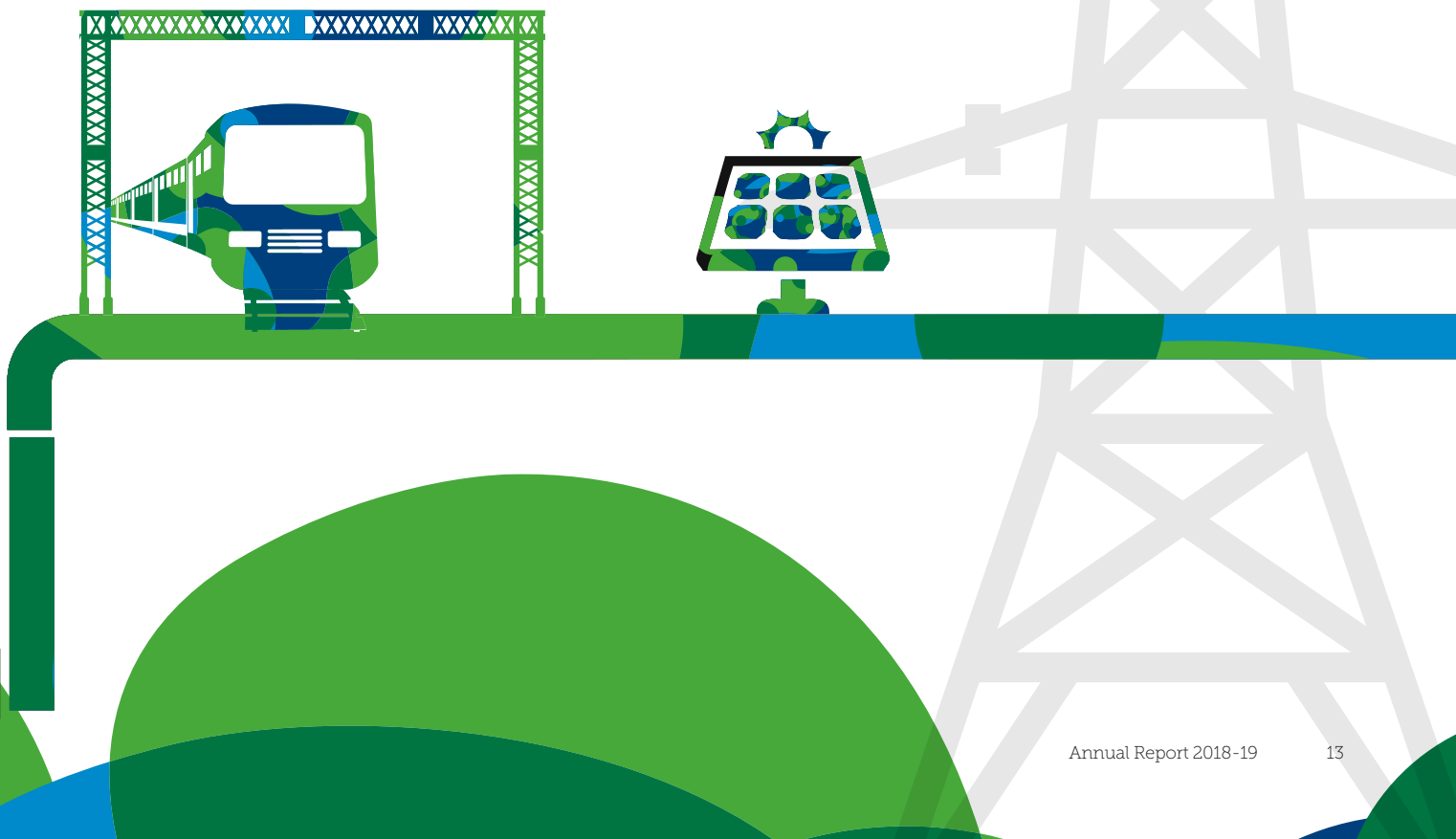
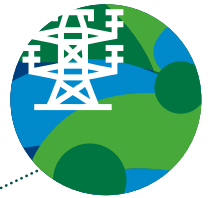
This competence is derived from a number of strengths.

One, engineering knowledge and skills that have been aggregated through sustained exposure, best practices and retention.

Two, our focused working out of two manufacturing facilities positioned around 'centres of engineering excellence' through benchmarking and best practices.

Three, possessing fungible infrastructure (factory, equipment and people) that makes it possible to move from one product to another based on evolving long-term marketplace requirements.

The consistent focus on the interplay of men, materials and machines has resulted in an any-market Utkarsh cost leadership within the segments of the Company's presence.



# Multi-segment leadership

At Utkarsh, we believe that sustainable growth is more likely to be achieved if we focus on being among the top two Indian companies by size within our respective businesses.

We believe that as markets get increasingly competitive, the companies that lead their market segments are likely to grow faster than the sectoral average.

There are a number of reasons for this conviction: enhanced brand visibility, superior procurement economies, stronger terms of trade, superior technology access, better pricing power, increased respect among customers, stronger ability to reinvest in assets (capital and knowledge) and a better pre-qualification credibility to service larger infrastructure projects.

This is how attractively Utkarsh is placed to capitalise:

- The Company is the largest national player in the following segments:
  1. Railway electrification structure
  2. Polygonal/octagonal poles and high mast
  3. Steel tubular poles
  4. Crash barriers

- The Company is among the top players in Eastern India in the following products:

1. MS and GI pipes
2. PVC pipes and fittings
3. Transmission line and telecom tower.

As India's infrastructure opportunity grows, we believe that by virtue of our market-leading positions, we are attractively placed to carve a disproportionately large share of the emerging opportunity.





## The real Utkarsh

# A volume-value way of doing business

**At Utkarsh, we are present in product segments generally dismissed by observers and analysts as 'commodity'.**

This provides us with the opportunity to specialise in spaces marked by large volumes and the capacity to produce at the lowest cost.

The word 'commodity' generally indicates increasing competition, large volumes and thinning margins.

Over the years, we have transformed our business approach: by extending from the commodity-end of large sectoral spaces to niche.

We have invested in technologies to produce a better quality. We have reinvested our accruals into the business. We have utilised our surpluses to negotiate better terms of trade. We have invested in systems and processes to enhance operational

predictability. We have strengthened our governance to enhance business sustainability.

The result is that we are not just a volume-based player any longer; we are driven by business quality and value-creation as well. The Company has decided to walk away from product contracts marked by low margins and long receivables. It is increasing the proportion of value-added products in its revenue mix and tightening its receivables.

This emphasises the point that we are not just becoming larger; we are becoming more profitable as well.

## We are in line to grow aggressively to ₹2,000 crore in turnover in three years with a 10% EBITDA margin, enhancing stakeholder value in the process



I am pleased to present the financial performance of the Company for FY2018-19.

Utkarsh India Limited reported profitable growth for 10 successive years ending FY2018-19. Revenues increased 38.11% but the increase in profit after tax exhibited a sharper increase at 79.61%.

I am pleased that this outperformance came in the face of a slowdown in the Indian economy, especially in the second half of FY2018-19, when the economy was marked by a liquidity paralysis that affected consumer sentiment.

The principal reason for our outperformance is that the Company consciously focused on engineering products around the needs of India's infrastructure sector. We have always believed that citizens will demand better value from national or private infrastructure around four secular themes – safety, security, hygiene and durability. Over the decades, we have not only focused on businesses that addressed these themes but brought to them a singular engineering competence derived from years of fabrication experience. The result is that we are now positioned at an attractive inflection point where we possess the competence to manufacture not only larger quantities but a wider product range and within each range, a deeper product depth – empowering us to address the growing needs of tomorrow's world.



## Riding the India growth story

At Utkarsh India Limited, we are effectively riding the Indian growth story.

The national transition is being driven by a larger infrastructure outlay than in the past. In the Union Budget FY2019-20, ₹4.56 lakh crore (US\$ 63.20 billion) was allocated towards infrastructure.

India's infrastructure priority is being driven across a broad range - roads, ports, railways, housing, aviation, agriculture, telecom, power and urban renewal. In turn, these sectors are being addressed through structured long-term policies that do not just indicate attractive realities today but also investment sustainability across the foreseeable future.

Construction and project award activity are at their peak. Five years ago, infrastructure spend of ₹10 trillion was indicated over five years starting 2014 while at this point, India addresses an expenditure almost twice that size at ₹21 trillion.

Besides, most infrastructure companies have significantly repaired their balance sheets by divesting non-core assets and raising equity capital. As a result, the average leverage of the sector stands at 0.3x as against 1.1x in 2014 while the interest coverage ratio is at a healthy 3.9x as against 2.4x in 2014 (Source: Phillips Capital).

At Utkarsh, we are addressing this increased opportunity by not directly selecting to build infrastructure as EPC players do but by focusing on the manufacture of infrastructure components and products where our capital outlays and risks are lower.

The spaces that we are present in are mature and marked by high knowledge-led entry barriers. Over the decades, we have widened this moat and strengthened our competitiveness by extending beyond the commodity-end of the spaces of our presence, building a deep engineering competence that can be applied across a range of products, building sizable capacities that enhance our procurement and manufacturing economies and combining these various businesses effectively into a corporate structure that enhances customer value and business de-risking.

I am pleased to report that this business strategy has resulted in each of our businesses reporting healthy profits, higher order books and a disproportionately larger share of the growth of India's infrastructure sector.

## Looking ahead

India is projected to emerge as the third largest economy by 2030, its GDP approximately trebling to US\$ 7 trillion by 2030 (Source: Oliver Wyman).

At Utkarsh, we are addressing this optimism with on-the-ground investments. The Company invested a total of ₹75.54 crore in capacity building in the three years ending FY2018-19. Our investments will translate into commercialisation through the course of FY2019-20, kick-starting the next phase of our growth journey. Since all these investments were made in our existing facilities, they were completed at a capital cost per tonne considerably lower than the prevailing benchmarks, strengthening our overall competitiveness. We believe that in doing so, we have laid the foundation for increased revenues and higher margins, potentially strengthening our organisational value.

It took Utkarsh India Limited 10 years to achieve ₹1,151 crore in revenues; we are at an inflection point that is expected to make it possible for us to almost replicate this growth in only the next three years.

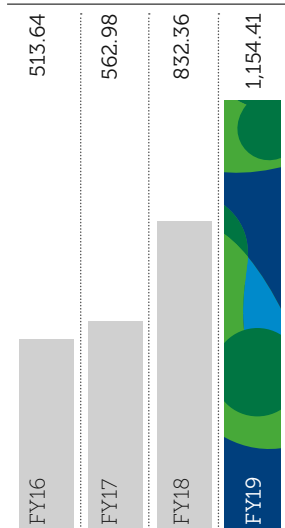
We believe we are in line to grow aggressively to ₹2,000 crore in turnover in three years with a 10% EBITDA margin, enhancing value in the hands of all those associated with our Company.

## Sunil Bansal

Chairman and Managing Director

# India's infrastructure investment has translated into attractive outperformance at Utkarsh India Limited

**Higher revenues**  
₹, crore



**Definition**

Sales growth without taxes.

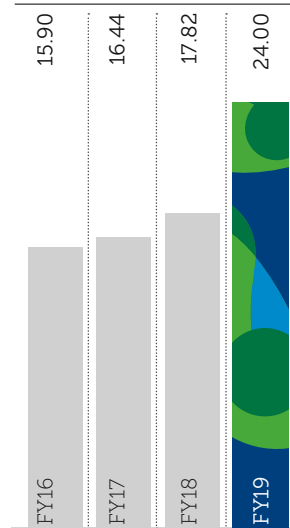
**Why we measure**

This measure reflects the result of our capacity to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

**Performance**

Our aggregate sales increased 38.69% to ₹1,154.41 crore in FY19.

**Return on capital employed**  
%



**Definition**

The measurement of the EBITDA generated by the business as a percentage of the capital employed (average) during the year under review.

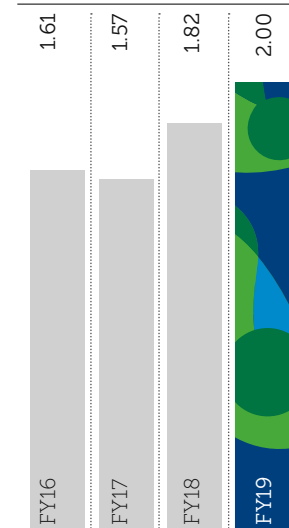
**Why we measure**

This measure indicates whether the Company is generating an efficient return on the capital employed in the business or not (higher than the cost of capital or not).

**Performance**

The Company reported a 618 bps increase in RoCE in FY19, the highest ever by the Company, derived from a successful coverage of fixed costs in the face of rising revenues and cost management.

**Interest cover**  
x



**Definition**

This is derived from the division of EBITDA by interest outflow.

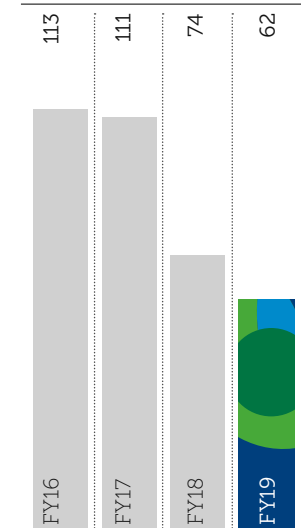
**Why we measure**

Interest cover indicates the Company's comfort in servicing interest, the higher the better.

**Performance**

The Company strengthened its interest cover from 1.61 in FY2015-16 to 2.00 in FY2018-19.

**Sundry debtors**  
Days



**Definition**

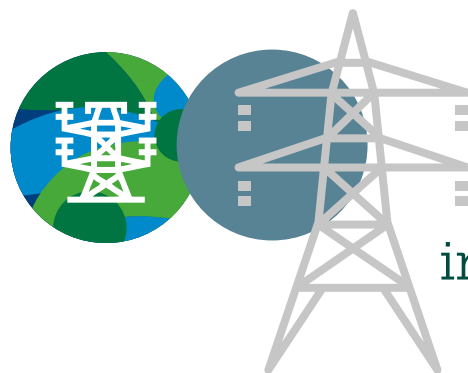
This is derived by dividing the quantum of debtors by turnover, multiplied by 365.

**Why we measure**

Sundry debtors (in days) provides a perspective on the speed with which revenues are coming into the Company, the shorter number of days the better.

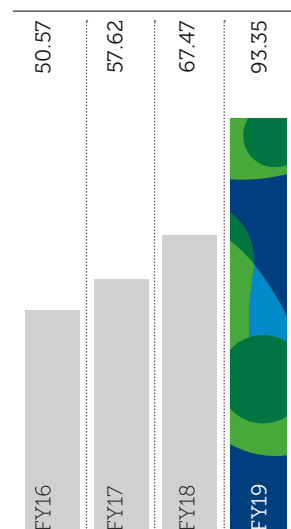
**Performance**

The Company's sundry debtors cycle declined from 113 days of turnover equivalent in FY2015-16 to 62 days in FY2018-19 on account of superior terms of trade and better receivables management.



India's infrastructure sector is one of the most attractive global investment opportunities

## Operating profit growth ₹, crore



### Definition

What the Company earned before the deduction of interest, depreciation, extraordinary items and tax.

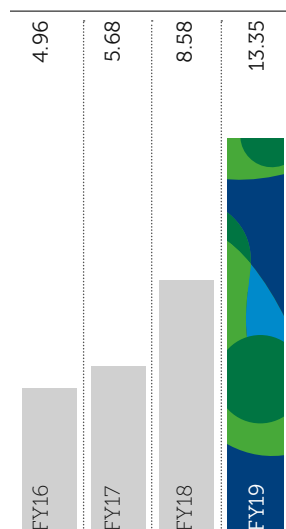
### Why we measure

This measure is an index of the Company's operating profitability (as distinct from financial), which can be easily compared with the retrospective average of sectoral peers.

### Performance

The Company's operating profit grew every single year through the last 10 years. The Company reported a 38.36% increase in its operating profit in FY19. This was the result of timely capacity investments, cost reduction and growing customer wallet share.

## Return on net worth %



### Definition

The measurement of the PAT generated by the business as a percentage of the net worth (average) during the year under review.

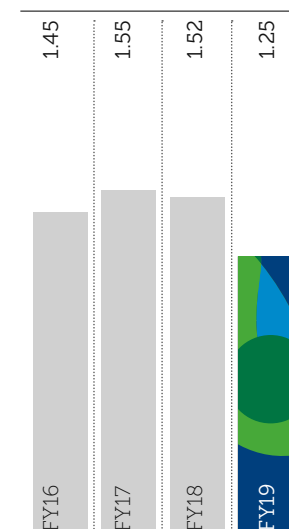
### Why we measure

This measure indicates whether the Company is generating an efficient return on shareholder funds in the business or not (higher than what shareholders would have got from alternative investments).

### Performance

The Company reported a 477 bps increase in RoNW in FY19, the highest ever by the Company derived from a successful sweating of fixed assets

## Gearing X



### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

### Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

### Performance

The Company's gearing moderated from 1.55 in FY17 to 1.25 in FY19. We recommend that this ratio be read in conjunction with net debt: operating profit (declining, indicating a growing ability to service debt).

## Budgetary allocations (Planned)

₹ billion

Segment	FY18	FY19 <sup>BE</sup>	FY19 <sup>RE</sup>	FY20 <sup>BE</sup>	Increment	% Increase
Roads	610.0	710.0	786.3	830.2	43.9	6%
NHAI	238.9	296.6	373.2	366.9	-6.3	-2%
Urban development	340.2	352.6	364.6	411.8	47.2	13%
Smart cities etc	45.3	61.7	61.7	66.0	4.3	7%
AMRUT	50.0	60.0	64.0	73.0	9.0	14%
Metro projects	139.8	150.0	156.0	191.5	35.5	23%
Railways	452.3	550.9	551.4	667.7	116.3	21%
Sagarmala and ports	4.8	6.0	3.8	5.5	1.7	44%
Power	139.8	150.5	156.3	158.7	2.5	2%

(Source: Phillips Capital; Budget documents, BE: Budgetary estimates, RE: Revised estimates)

# The robustness of our business model

## Positioning

**Building block:** The Company addresses the core of India's core sector that represent the building blocks of national growth. The Company's products can be classified as light infrastructure, which ride heavy infrastructure (without the large investments associated with the latter).

**Branded:** The Company has demonstrated its credentials as a brand-led B2C player through its rapidly growing PVC pipes business (sectoral leadership in Eastern India) even as the rest of the business continues to be B2B.

**Finished products:** The Company has consciously positioned itself as a manufacturer of finished products (steel / PVC) for the infrastructure sector. This has empowered the Company to capture the full extent of value-addition, control quality, provide an integrated solution and customise products as per market needs – beating the commodity trap.

**Organised player:** The Company consciously chose to be present in spaces that were/are largely unorganised but where institutional customers are demanding larger quantities, superior quality, more stringent certifications and where vendors have invested in processes and systems, benefiting forward-looking companies.

## Offerings

**Business mix:** The Company possesses a broad-based mix of seven businesses. While one of the business segments accounted for 23% of the Company's revenue, the rest of them, individually, ranged between 8% and 21%. Most of these businesses reported attractive year-end order books, indicating that they were at an inflection point in their respective journeys.

**Product basket:** The Company strengthened its competitiveness and customer proposition by offering a large product basket comprising various grades. In doing so, the Company accounted for a large share of the customer's wallet.

## Discipline

**Operating culture:** The Company has been marked by a culture of austerity, partly influenced by thin margin businesses, which survived the slowdown years without reporting a loss.

**Fiscal conservatism:** The Company's fiscal conservatism (doing more with less) is indicated by its aggressive ploughback strategy – 47.85% of its capex in the five years ending FY2018-19 was made out of accruals and unsecured loans. The Company is moderately leveraged and reduced ₹13.17 crore of debt in the last two years even as it increased revenues by 105.05%.

**Financial discipline:** The Company

has successfully demonstrated financial discipline in commoditised business segments. It moderated its receivables cycle by going against the industry trend; it grew the business without increasing working capital limits in the three years ending FY2018-19.

**Financial leverage:** The Company possesses a lean Balance Sheet. It invested 47.85% of its capex incurred in the five years ending FY2018-19 through accruals and unsecured loans. The Company had only ₹82.92 crore long-term debt on its books for a ₹1,154.41 crore revenues business (FY2018-19).

**The Company's debt:** EBITDA was less than 3.0, indicating financial prudence.

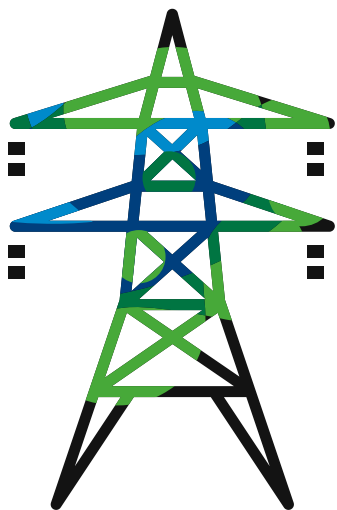
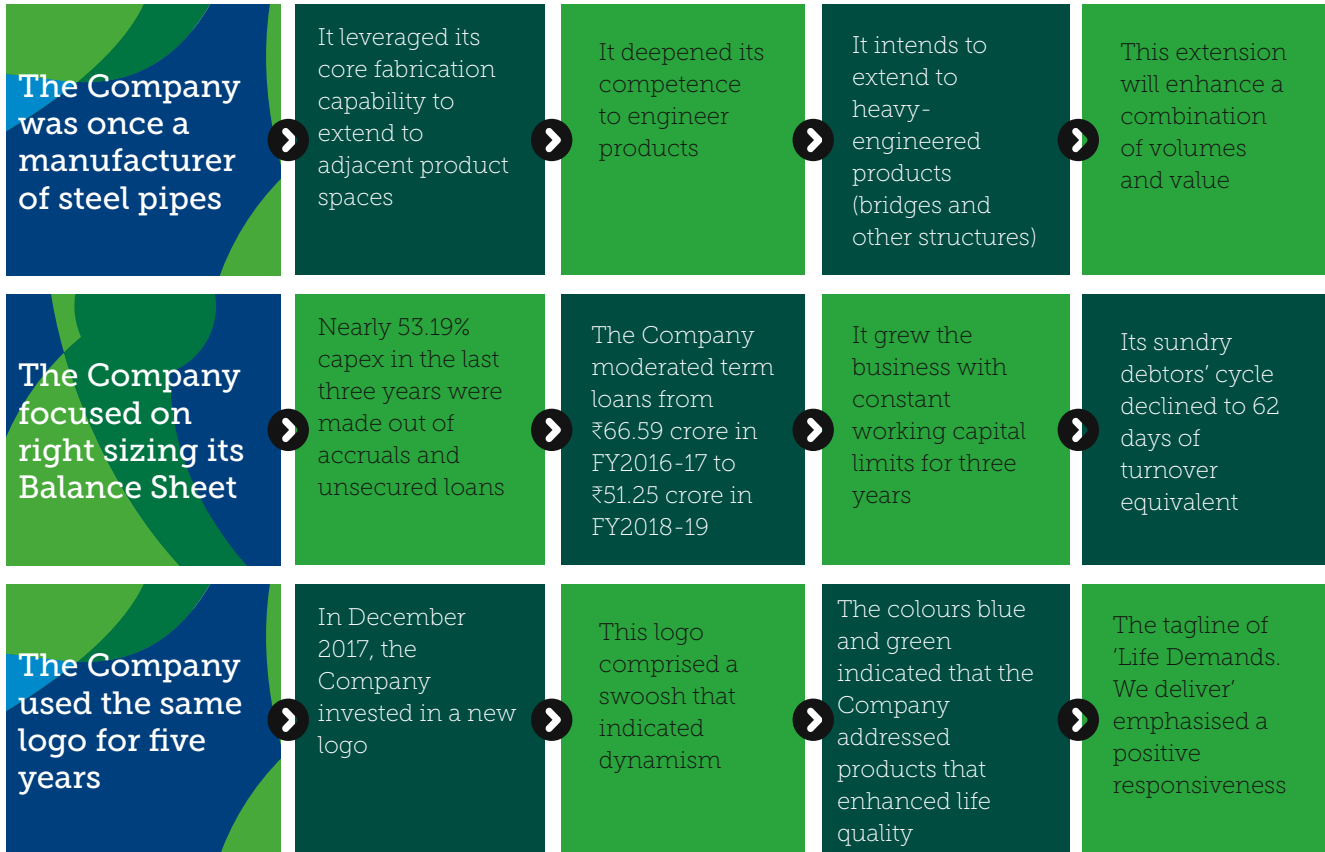
## Our people

**Management mix:** The Company combines hands-on promoters and delegated professional capabilities. The promoters provide the strategic direction and an ongoing business review; the professionals are empowered to grow the business around targets and deliverables – a platform for the next round of growth.

**Fungible resources:** The Company invested in fungible engineering-cum-fabrication capacities and capabilities that made it possible to moderate overall capex and people expenditure as well as shift from one product to another based on market dynamics.



## How we transformed and strengthened the Company



## Product segment

Utkarsh India Limited has evolved as an enterprise in catering the global and Indian customer needs. The Company builds and innovates across seven major verticals namely polymer products, railway electrification structures, polygonal poles and high masts, steel tubular poles, metal beam and crash barriers, steel pipes and telecom transmission line towers, and substation structures.

The Company was successful in establishing itself as a preferred manufacturer in infrastructure segments across India. The Company exports products to Germany, Belgium, UK, Lithuania, Poland, Northern Ireland, Australia, New Zealand, Canada, UAE, Qatar, Kuwait, Iraq, Reunion Islands, Madagascar and Malawi, among others.



### Segment-wise revenue, FY2018-19



■ Polymer products	10.12%
■ Railway electrification structures	21.85%
■ Polygonal poles and high masts	7.76%
■ Metal beam and crash barriers	8.62%
■ Steel pipes	23.10%
■ Steel tubular poles	8.66%
■ Telecom and transmission line towers and substation structures	16.83%
■ Other income	3.05%

Canada

Northern Ireland

Poland

Lithuania

UK

Belgium

Germany

Iraq

Algeria

Kuwait

Qatar

UAE

Malawi

Australia

Madagascar

New Zealand

Reunion Islands

How each of our businesses enhances life quality and customer convenience

Business

## Polymer products

Manufacturing location

Gurap, West Bengal

Prominent customers

L&T, Tata Projects, Reliance, WBSEDCL, UP Jal Nigam, Assam PHED, WB PHED and Bihar PHED.

### The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	<b>66.75</b>	<b>84.98</b>	<b>116.82</b>
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	<b>7,443.68</b>	<b>9,417.88</b>	<b>11,157.89</b>



## Nature of business

The Company's product mix comprises UPVC lead-free pipes and fittings, CPVC plumbing pipes and fittings, SWR pipes and fittings, agriculture pressure pipes and fittings, UPVC column pipes, PVC well casing screen pipes, HDPE pipes and PLB HDPE ducts.

## Strengths

- The Company possesses 40 years of pipe manufacturing experience, graduating its products and services in line with technological advances
- The Company possesses a deep insight into the country's agricultural sector and plumbing solutions
- The Company possesses long-term relationships with dealers and distributors (around 3,500),

making it possible to distribute products wide and deep, across the regions of its presence

- The country possesses the largest plumbing pipes and fittings production facility in Eastern India which is the first fully-automated facility in the region
- The Company is a leader in Eastern India, where the market is growing attractively; it is the second largest in Bengal, Bihar and Jharkhand
- The Utkarsh brand has been marked by trust and longevity across trade channels and end consumers; this is the most visible business of the Company despite its relatively small scale
- The business is marked by attractive value-addition and margins

## Achievements, FY2018-19

- The Company grew this business 37.47% by revenues and 18.48% by volumes
- Revenues from this business accounted for 10.15% of the Company's revenues
- The Company pushed this product aggressively, strengthened the brand and reinforced trade partner relationships

## Outlook

- The capacity utilisation of this business was 47.75% in FY2018-19, which should strengthen as marketing initiatives deepen
- Business growth from this point onward could increase revenues to around ₹500 crore at enhanced margins

## Housing initiatives

### Nal Se Jal

**Government investment:** ₹28,261.59 crore

**Objective:** To supply adequate water to all households and to conserve water resources. The Government has set a target to provide piped water connection to every household by FY2024

**Implementation agency:** Jal Shakti Ministry, which includes Ministry of Water Resources, River Development and Ganga Rejuvenation, and the Ministry of Drinking Water and Sanitation

### AMRUT

**Government investment:** ₹50,000 crore

**Objective:** To ensure that every household has access to a tap with assured supply of water and a sewerage connection

**Implementation agency:** Ministry of Housing and Urban Affairs

**Start year and end year:** FY2015-16 to FY2019-20

### Pradhan Mantri Awas Yojana

**Government investment:** ₹26,405

crore in 2018

**Objective:** Provide affordable housing price to the weaker sections, lower income group, urban / rural poor

**Start year and end year:** FY2015-16 to FY2021-22

### Smart City Mission

**Government investment:** ₹2.05 lakh crore

**Objective:** Local development harnessing technology to create smart outcomes for citizens

**Implementation agency:** Ministry of Housing and Urban Affairs

**Start year and end year:** FY2015-16 to FY2019-20

## Agriculture initiatives

### Pradhan Mantri Krishi Sinchai Yojana: 'Har Khet Ko Paani'

**Government investment:** ₹50,000 crore

**Objective:** Expand cultivable area

under assured irrigation (*Har Khet Ko Paani*) and to reduce wastage of water. It also helps in creating protective irrigation by harnessing rain water at micro level through '*Jal Sanchay*' and '*Jal Sinchan*'.

**Implementation agency:** Inter-Ministerial National Steering Committee

**Start year and end year:** FY2015-16 to FY2019-20



Business

# Railway electrification structures

Manufacturing location

Gurap, West Bengal

Prominent customers

Kalpataru Power Transmission Limited, Alstom, L&T, BCPL Railway Infrastructure Ltd, Green Power International Limited, Traxun Towers, Shyam Indus, Sikka Engineering, Power Mech, R. S. Infra, Tata Projects, KEC and direct supply to East Coast Railways and South Eastern Railways.

## The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	59.00	184.90	252.29
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	10,400.00	40,711.05	47,033.51



## Nature of business

Railway electrification is a growing national priority, minimising the role of coal-fired rail engines and related pollution. There is a growing potential in this business with the government having targeted 100% electrification in ten years from the level of a mere 30% today.

The segment holds out robust prospects for at least a decade; electrification per km is expected to generate a demand of 18 MT of steel. The Company addresses value-added segments within this business space and provides complete solutions (without entering the EPC space).

## Strengths

- The Company is the national market leader in this business
- The Company enjoyed 33% (approximately) pan-India market

share (without counting Dedicated Freight Corridor demand)

- The Company manufactures SPS, masts, portals, beams, gantries and substation structures fortifying its position as a one-stop solution provider
- Throughput increased ten-fold in the last few years with attractive volume-value implications
- The fully automated plant (approved by CORE, Allahabad) possesses an installed capacity of 60,000 TPA
- The Company enjoyed a robust order book at year-end (FY2018-19)

## Achievements, FY2018-19

- The Company grew this business 36.45% by revenues and 16.24% by volumes

- Revenues from this business accounted for 21.92% of the Company's revenues
- The Company invested ₹25 crore to increase installed capacity to 84,000 MTPA

## Outlook

The unprecedented pace of railway track electrification is likely to sustain. The additional growth is coming from the Dedicated Freight Corridors and metro network expansion. The Company is attractively placed to address this growing opportunity through additional capacity, likely to go on stream by March 2020. Besides, the proportion of revenues from value-added products is expected to increase from 20% to 30%, strengthening the volume-value proposition.

## Railways initiatives

### Dedicated Freight Corridors

**Objective:** Construction of six freight corridors - safe and efficient transportation system

**Implementation agency:** Ministry of Railways

**Start year and end year:** FY2008-09 to FY2019-20

### Railway Electrification Plan

**Objective:** Electrify the railway network in four years

**Implementation agencies:** Ministry of Railways

**Start year and end year:** FY2017-18 to FY2021-22



Business

# Polygonal poles and high masts

<b>Manufacturing location</b>	Gurap and Jangalpur, West Bengal
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<b>Prominent customers</b>	Indian Railway, Port Trust, refineries and oil sector, steel plants, National Highway Authority of India, Municipal Corporation & Development Authorities, power plants and power distribution authorities, Military Engineering Services, CPWD and PWD, developers and consultants, corporates and electrical contractors.
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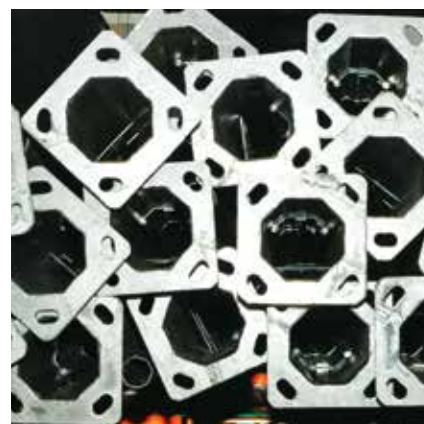
## The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	61.04	68.49	89.62
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	7,166.09	7,841.83	9,953.41



## Nature of business

The business comprises turnkey solutions comprising poles and high masts in the area of outdoor illumination. The business manufactures lighting mast, street lighting pole, decorative lighting pole, camera pole, distribution pole, flag mast and smart pole. The Company's presence in this business is being driven by a greater focus on superior lighting, allied security, urbanisation, larger spatial areas and more highways.



## Strengths

- The Company is a market leader (approximately 35% share), possessing a rich track record of having marketed more than 25,000 lighting masts and 5,00,000 lighting poles
- The Company has installed a manufacturing capacity of 1,20,000 lighting poles and 6,000 high masts per annum
- The Company's competence flows from 20,000 TPM of steel management (fabrication, rolling, welding and galvanising) and procurement economies
- The Company invested in state-of-the-art infrastructure (CNC-operated machines, pre-galvanisation and post-galvanisation processes and advanced testing laboratories)
- The Company generates approximately 70% of its revenues from repeat customers
- The Company's customer mix (retail, highway, non-highway and municipalities) ensures attractive realisations and risk broad-basing
- The Company provides a value-addition solution

## Achievements, 2018-19

- The Company grew this business 30.85% by revenues and 26.93% by volumes
- Revenues from this business accounted for 7.79% of the Company's revenues
- The Company invested in a capacity addition of 12,000 TPA (effective second half of FY2019-20) out of accruals
- The year-end order book increased from an usual three months to six months
- The Company exports their products to countries such as Togo, Qatar, UAE and Iran, among others

## Outlook

- The Company's products ride the growth of the road network in India; the proposed Bharatmala provides the sector with a 20-year growth outlook
- The business is being driven by increased urban applications, flag mast applications, national border lighting and exports (especially to Africa)

Business

# Metal beam crash barriers

Manufacturing  
location

Jangalpur, West  
Bengal

Prominent  
customers

Sadbhav Engineering  
Limited, Dilip Buildcon,  
L&T, NKC Projects, DP  
Jain Projects, Ramky  
Infrastructure Limited  
and BSC PL  
Infrastructure Ltd.

## The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	61.32	85.53	99.48
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	11,184.74	14,702.32	15,975.35

### Nature of business

The metal beam crash barrier has emerged as an attractive proxy of highway and expressway construction in India (every km of road constructing requiring 50 MT of crash barriers and twice that requirement in expressways). The product is also used as a restraining barrier on embankments of highways and expressways, separator in four or six-lane roads, protection barriers for hilly terrains, crash guards on car racing tracks and for internal safety in plants / mines / collieries / airports.

### Strengths

- The Company leverages the superior value out of procurement economies, process similarity as pipe-making and professional organised capability to reinforce its sectoral visibility
- The Company's products conform to national and international norms – MORTH (India), USA (AASHTO M180) and European (EN 1317-1 & 2)
- The products are manufactured using superior technologies like zinc coating, test facilities and roll-forming machines
- The Company provides a single-stop solution comprising design,

engineering, fabrication and galvanising

### Achievements, 2018-19

- The Company grew this business 16.31% by revenues and 8.66% by volumes
- Revenues from this business accounted for 8.64% of the Company's revenues

### Outlook

The increased need for infrastructure in India will warrant a larger use of crash barriers. The proposed Bharatmala could potentially generate a multi-year growth cycle for this product.

## Roads and expressways initiatives

### Bharatmala Pariyojana Phase I

**Government investment:** ₹5,35,000 crore

**Objective:** Development of 34,800 km road (including 10,000 km residual NHDP projects)

**Implementation agency:** National Highway Authority of India

**Start year and end year:** FY2017-18 to FY2021-22

### Bharatmala Pariyojana Phase II

**Objective:** Development of 3,000

km of expressways

**Implementation agency:** National Highway Authority of India

**End year:** Completion by 2024

### Pradhan Mantri Gram Sadak Yojana

**Government investment:** ₹19,000 crore proposed investment in FY2019-20 union budget

**Objective:** Construct all-weather roads to unconnected villages

**Implementation agency:** National Rural Roads Development Agency

**Start year and end year:** 2000 to 2019

### Mission 300

**Objective:** Complete 300 highway and expressway projects

**Implementation agency:** National Authority Highway of India and Ministry of Roads Transport and Highways

**End year:** Completion by 2019



## Business

# Steel pipes

Manufacturing location

Jangalpur and Gurap, West Bengal

Prominent customers

Public Health Engineering Directorate, Water Resource Development Department, Drinking Water And Sanitation Department, Rural Water Supply Department, L&T, Godrej, ABB Ltd, Public Works Department, Vedanta and Railways departments.

### The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	199.14	237.17	266.72
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	50,882.68	52,328.24	50,698.44



## Nature of business

The business of pipes is becoming increasingly relevant on account of widening downstream uses and customised uses in specific applications.

## Strengths

- The Company possesses a rich 40-year experience in manufacturing steel pipes of various sizes, applications and complexities, translating into overall competitiveness
- The Company possesses a range of complementary manufacturing equipment (tube mills, slitting lines, galvanising facility, CNC profile cutting and advanced testing facilities)
- The Company possesses the capability to manufacture steel tubes of all diameters and GI pipes with varied applications
- The Company possesses all relevant certifications (ISO, BS, ASTM A, ASTM D, EN, AS and SLS); it has been approved by leading national and international inspecting and certifying authorities (SGS, CE, DNV, BVQI, TUV and others)
- The Company has been approved as an eligible vendor by virtually every large and relevant Indian institutional buyer
- The Company is the only one within its peer group to be consistently exporting pipes (Germany, Australia, Canada, United Kingdom, United Arab Emirates and Denmark, among others)

- The Company generated 60.90% of revenues from the manufacture of value-added pipes, strengthening the payback from this business
- The business is certified for OHSAS 18001 and ISO 14001

## Achievements, FY2018-19

- Revenue from this business grew 12.45% over FY2017-18
- Revenues from this business accounted for 23.17% of the Company's revenues
- The Company encountered a larger demand than its ability to service the aggregate appetite of OEMs and retail buyers

## Outlook

- The outlook of the business is vast in view of the wide field of applications that are not presently addressed
- The Company sees a vast scope in widening its product basket and carving out a larger wallet share
- The Company intends to strengthen its product mix by eliminating the manufacture of black pipes, increasing the proportion of value-added pipes from 60% to 100% of revenues from this business
- Any proposed expansion in the Gurap plant can be commissioned quicker and economically than prevailing standards, strengthening competitiveness

## Housing initiatives

### Nal Se Jal

**Government investment:** ₹28,261.59 crore

**Objective:** To supply adequate water to all households and to conserve water resources. The Government has set a target to provide piped water connection to every

household by FY2024

**Implementation agency:** Jal Shakti Ministry which includes Ministry of Water Resources, River Development and Ganga Rejuvenation, and the Ministry of Drinking Water & Sanitation

## Business

# Steel tubular poles

Manufacturing location	Prominent customers
Jangalpur and Gurap, West Bengal	Reliance Corporate IT Park Limited, Manipur State Power Distribution, Andaman Electricity Department, Assam State Electricity Board, Bhutan Power Corporation Ltd, Jharkhand State Electricity Board, Kolkata Metropolitan Development Authority, Larsen & Toubro, Meghalaya State Electricity Board (Shillong), Northern Coalfields Ltd, National Highways Authority of India, TIPC, Power Grid Corporation of India Ltd, Pondicherry State Electricity Board, Public Works Dept (Electrical), Shyama Power Pvt Ltd, Tata Projects Ltd, Techno Electric & Engineering Co. Ltd., Tripura State Electricity Corp Ltd, WBSEDCL, OPTCL, BHEL and NBPD.

## The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	30.01	54.72	99.99
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	6,639.61	9,156.98	15,098.36

### Nature of business

The business comprises distribution and transmission poles (steel), recognised as the most efficient and economical means for carrying overhead transmission and distribution lines from the substation to the consumer. The round sections of swaged poles offer minimum wind resistance and can withstand shocks, line breakages and weather extremities.

The business is being driven by government schemes to ensure urban and rural illumination.

### Strengths

- The Company pioneered the manufacture of this product in India

### Achievements, FY2018-19

- The Company grew this business 82.73% by revenues and 64.88% by volumes
- Revenues from this business accounted for 8.69% of the Company's revenues
- Tubular pipes emerged as a focus area on account of increased demand

### Outlook

- The outlook is positive on account of a vastly under-penetrated Northeast market
- The seriousness of the government is reflected in its rural electrification programmes, extending its role from advisory to project implementation





Business

# Telecom and transmission line towers & substation structures

Manufacturing location

Jangalpur and Gurap, West Bengal

Prominent customers

Power Grid Corporation of India Limited, U.P. Power Transmission Pvt. Ltd., Bajaj Electricals Limited, Larsen & Toubro Limited, Tata Projects Limited, Reliance Jio Infocomm Limited, Reliance Corporate IT Park Ltd, Associated Power Structures Pvt Ltd., Kalpataru Power Transmission Limited, EMC Limited, Teems India Towerlines Pvt. Ltd., K. Ramachandra Rao Transmission & Project Pvt. Ltd. and SPML Infrastructures Ltd.



## The big numbers

Year	FY2016-17	FY2017-18	FY2018-19
Revenues (₹ crore)	64.91	91.73	194.32
Year	FY2016-17	FY2017-18	FY2018-19
Volumes sold (MT)	10,832.68	16,825.78	26,376.65

### Nature of business

The business comprises the manufacture of transmission line towers, making the business a proxy of the power transmission sector in India.

The Company also manufactures telecom towers. The rationale for the presence of this business division is the growing need for telecom towers, following a substantial increase in smartphones and data explosion in India. The projected introduction of 5G is expected to increase the relevance of this business segment.

### Strengths

- The Company offers customers a range of overhead transmission line towers
- The Company manufactures transmission poles, steel structures for emergency restoration system for transmission line, substation gantry and equipment support structures and microwave towers
- The business comprises two manufacturing facilities approved by the Power Grid Corporation,

fully-automated infrastructure (1,00,000 TPA capacity), galvanising plants, angle and Plate CNC lines and testing facilities

- Under the segment of the telecom towers, the Company is engaged with Ramboll (Dutch design Company that designs and heads telecom towers for major players including Jio)
- The use of steel pipes manufactured by the Company has helped enhance organisational value
- The fungible capacity empowers the Company to move from telecom to power sector applications, enhancing return on assets

### Achievements, FY2018-19

- The Company grew this business 111.84% by revenues and 298.21% by volumes
- Revenues from this business accounted for 16.88% of the Company's total revenues
- The Company oriented a sizable part of its production towards the manufacture of telecom towers

- The Company serviced the growing requirements of Jio, India's fastest growing telecom service provider

### Outlook

- There is a flattening of demand for transmission towers across India as much of the pan-country electricity connectivity has been achieved. However, there is still substantial demand at the state level, and largely so from the states surrounding West Bengal, for which Utkarsh is strategically placed
- The Company intends to explore the market of Latin America and Africa, where power transmission connectivity is still relatively under-penetrated, creating a multi-year growth opportunity
- In the telecom tower segment, the Company intends to broaden clients and geographies of presence (extending to the international market), and largely so from the North Eastern states and states surrounding West Bengal, for which Utkarsh is strategically placed



## POWER INITIATIVES

### 24 x 7 Power for All

**Government investment:** ₹1.6 lakh crore

**Objective:** Joint initiative of Government of India with all States and Union Territories to provide 24x7 power to all by 2019

**Implementation agency:** A central programme monitoring unit with representation from REC, PFC, NHPC and CEA

**End year:** 2019

### Ujwal Discom Assurance Yojana

**Government investment:** ₹45,800 crore

**Objective:** State Governments with the support of the Central Government to ensure 24\*7 power for all

**Implementation agency:** Ministry of Power

**Start year:** November 2015

### Integrated Power Development Scheme (IPDS)

**Government investment:** ₹25,354 crore

**Objective:** Strengthening urban

sub-transmission and distribution networks. Metering of urban distribution transformers / feeders / consumers. IT enablement of distribution sector

**Implementation agency:** Ministry of Power

**Start year:** 2014

### Deen Dayal Upadhyay Gram Jyoti Yojana

**Government investment:** ₹33,453 crore

**Objective:** Strengthening rural sub-transmission and distribution networks in the rural areas; metering rural distribution transformers / feeders / consumers; rural electrification

**Implementation agency:** Ministry of Power

**Start year end year:** FY2014-15 to FY2021-22

### Saubhagya scheme

**Government investment:** ₹16,320 crore

**Objective:** Universal household electrification

**Implementation agency:** Ministry

of Power and CEA

**Start year:** FY2017-18

### Green Energy corridors 11

**Objective:** Establish 1,00,000 MW solar and 60,000 MW wind generation capacity by 2022

**Implementation agency:** Ministry of Power

**End year:** 2022

## TELECOM INITIATIVES

### National Telecom Policy

**Objective:** Catalyse India's participation in the global digital economy

**Implementation agency:** Department of Telecommunication

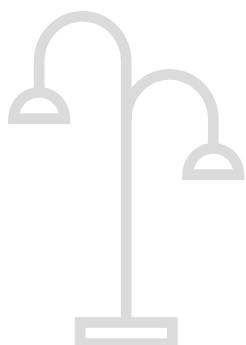
**Start year and end year:** 2018 to 2022

### BharatNet

**Objective:** Provide affordable broadband connectivity

**Implementation agency:** Universal Service Obligation Fund (USOF)

**Start year and end year:** 2017 to 2023



At Utkarsh India Limited, we play the role of a responsible corporate citizen, engaging in various activities to enhance community prosperity and well-being.

## Corporate Social Responsibility

We address our responsibility in various ways.

We believe we are engaged in business to make the world better. Our engagement is aligned with national and regional priorities. We believe that a complement of investments and involvement will have a societal impact.

### Malnutrition and safe drinking water initiatives

- Distributed food (Annadanam) for the poor in six locations (Gokuldham, Maduvankarai, Sriperumbudur and Kanchipuram District in Tamil Nadu)
- Provided free drinking water to the masses in Kolkata

### Education initiatives

- Adopted 30 Ekal Vidyalayas - One Teacher Schools for the benefit of tribal villages across 10 districts of Bengal
- Constructed a three-storey school for students in Deoghar, Jharkhand

### Animal welfare

- Initiated annual cow welfare schemes in Liluah, Sodepur, Kalyani and Ranigunj in Bengal

### Miscellaneous

- Provided medical treatment, artificial limbs, calipers / aids, food / medicines for the needy at no cost
- Organised health check-up and eye-testing camp



# Management discussion and analysis

## Global economic growth

Year	2015	2016	2017(E)	2018(E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.2	3.5

(Source: World Economic Outlook, July 2019) E: Estimated; P: Projected)

### Global economic review

Following a robust growth of 3.8% in 2017 and in the first half of 2018, the global economy slowed significantly in the second half of 2018, reflecting a confluence of factors affecting major economies like the failure of the Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Owing to this, the global economy growth in 2018 was estimated at 3.6%.

Crude prices remained volatile since August 2018 as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a four year peak of US\$ 81 per barrel in October 2018 to US\$ 61 per barrel in February 2019. While advanced economies are showing signs of a slowdown, emerging economies like India and China are expected to fuel the world's economic growth engines.

Global growth is expected to remain at 3.2% in 2019. The unwinding of the US fiscal stimulus and the fading of the favourable spill-overs from US demand to trading partners will be offset by a pickup in growth in emerging markets and developing economies. Global oil supply is expected to increase gradually, lowering oil prices to US\$ 68.76 a barrel in 2019 and to ~US\$ 60 a barrel in 2023.

### Indian economic overview

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of FY2018-19). After growing 7.2% in FY2017-18, the Indian economy is estimated to have grown 6.8% in FY2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of FY2018-19, the slowest growth in a single quarter in years.

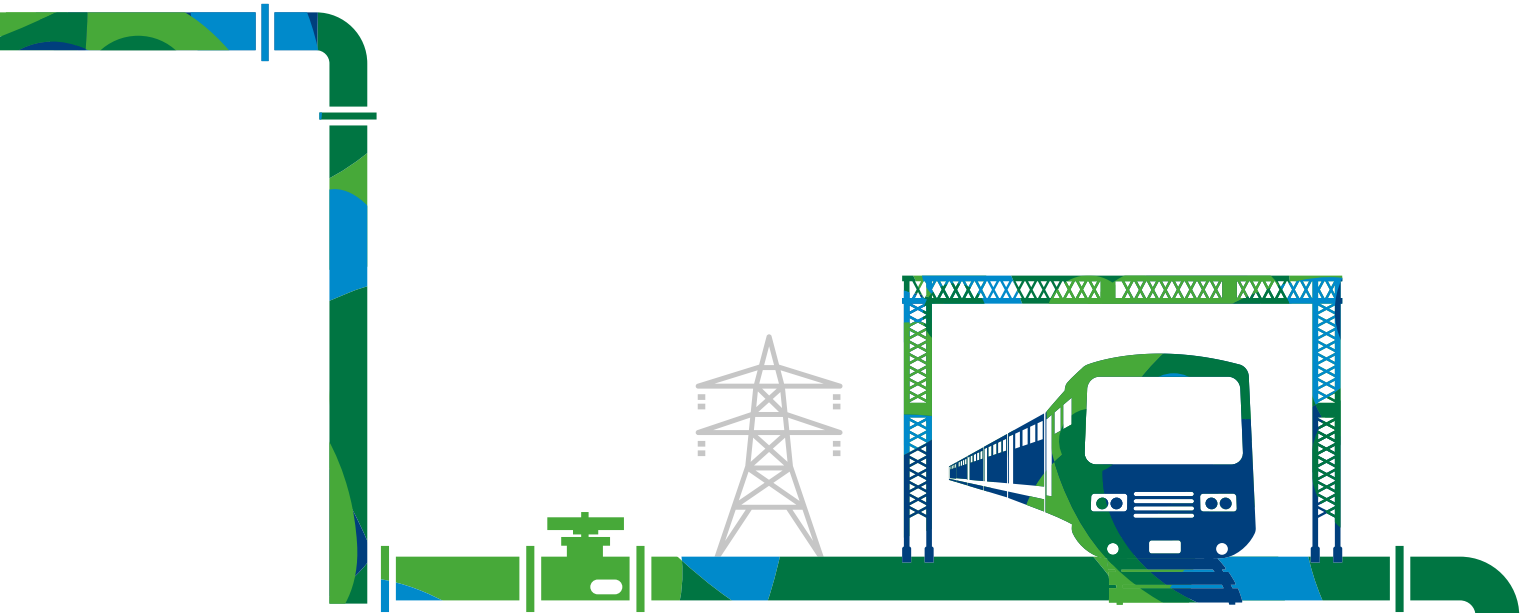
In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

### Indian economic outlook

The Indian economy appears to be headed for sustained sluggishness in FY2019-20. Even as a new government is expected to remain pro-investment and pro-business resulting in a larger spending on infrastructure build-out, an economic revival appears some quarters away. The long-term outlook of the country appears to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct.

(Source: CSO, Business Standard)



## Key government initiatives

The Indian government focused on making structural reforms. These initiatives comprised the bank recapitalisation scheme, increased infrastructure investments, enhanced minimum support price for a range of crops, increased Defence expenditure, passing of the landmark Insolvency and Bankruptcy code (Amendment), Ordinance 2018, announcement of Pradhan Mantri Kisan Samman Nidhi and sustenance of Direct Benefit Transfer.

## Industry review

India is investing an unprecedented outlay in road building. Increased industrial activities and increasing number of two and four wheelers are the main growth drivers of this industry. The Union Budget FY2019-20 (interim) allocated ₹1.12 trillion (US\$ 15.48 billion) for additional road building. The Government of India had set a target to construct 10,000 km of national highway. During April-December, 2018 a total length of 6,715 km of national highways was constructed. The government intends to construct around 65,000 km by 2022.

The Indian Railways embarked on a project of complete electrification

of the rail network in the next five years, potentially saving ₹10,000 crore and helping decarbonise the network. Indian Railways is also investing in track modernisation, increase in rolling stock and introduction of faster contemporary trains.

India's real estate sector (housing, retail, hospitality and commercial) has been growing in line with the country's economic growth and urbanisation.

India continued to deepen investments in power transmission and distribution infrastructure, making it possible to enhance cross-transfer from power generated from one part of the country to another and then providing it to the last mile.

India is the world's second-largest telecommunications market, driven by the cost of mobile telephony (arguably the lowest in the world) and increased smartphone availability. The National Digital Communications Policy 2018 envisaged attracting investments worth US\$ 100 billion in the telecommunications sector by 2022. The growth in data consumption and the anticipated deployment of 5G are expected to accelerate the deployment of towers and related infrastructure.

## Company review

The Company possesses focused competencies in engineering and fabrication that is applied to steel and polymers, translating into the manufacture of railway electrification structures, distribution poles, high mast, polygonal/conical poles and steel tubular poles, polymer products, metal beam crash barriers, steel pipes, transmission line towers and substation structures.

These products address the growing and widening needs of the infrastructure sector. The Company leveraged fungible infrastructure and resources to shift from the manufacture of one product to another based on dynamic market realities. The Company is among the largest national / regional players in a number of the spaces of its presence. Besides, its products, processes and infrastructure were approved by some of the most demanding clients, which gives the Company a competitive advantage.

## Financial analysis

### Profit and loss account analysis

**Gross revenues:** Gross revenues increased 35.10% to ₹1,151.54 crore in FY2018-19, compared to ₹852.36 crore reported in FY2017-18.

### Operating profit (EBITDA):

Operating profit increased by 38.35% to ₹93.35 crore during FY2018-19 compared to ₹67.47 crore in FY2017-18, largely because of an improvement in operational efficiencies.

**Depreciation:** Depreciation stood at ₹11.39 crore, compared to ₹10.10 crore in the previous year, up by 12.74% on a y-o-y basis.

**Finance costs:** Finance costs increased by 22.94% from ₹37.92 crore to ₹46.61 crore.

**Tax expenses:** Tax expenses stood at ₹13.29 crore, which included current tax expenses worth ₹12.04 crore and deferred tax charges worth ₹1.25 crore.

**Net profit:** Net profit stood at ₹23.13 crore, a 79.61% increase over the previous year.

### Balance Sheet analysis

**Net worth:** The Company's net worth stood at ₹173.26 crore as on 31st March 2019, increasing by 15.41% compared to ₹150.28 crore as on 31st March 2018. The net worth comprised paid-up equity share capital amounting to ₹17.87 crore, 1,78,70,500 equity shares of 10 each (fully-paid up).

**Loan funds:** Loan funds stood at ₹215.729 crore while long-term borrowings stood at ₹82.92 crore and short-term borrowings amounted to ₹132.81 crore.

**Total assets:** Total assets increased to ₹670.33 crore in FY2018-19 from ₹590.78 crore in FY2017-18, an increase of 13.46%. Capital work-in-progress for the year increased by 95.20% to ₹5.69 crore in FY2018-19 compared to ₹2.92 crore in 2017-18.

**Inventories:** Inventories increased by 13.73% to ₹247.275 crore from ₹217.426 crore in the previous year.

**Sundry debtors:** Sundry debtors of the Company stood at ₹195.75 crore, an increase of 15.04% over the previous year.

**Loans and advances:** Loans and advances amounted to ₹26.47 crore, comprising 3.95% of the Company's total assets. Short-term loans and advances for the year stood at ₹24.81 crore (decrease of 4.05% from the previous year).

**Cash and cash equivalents:** Cash and cash equivalents amounted to ₹19.84 crore as on 31st March 2019 compared to ₹13.02 crore as on 31st March 2018.

**Current liabilities:** Current liabilities stood at ₹396.04 crore, comprising short-term borrowings worth ₹132.81 crore, trade payables worth ₹205.45 crore, other current liabilities worth ₹52.51 million and short-term provisions worth ₹5.28 crore.

### Key ratios

Particulars	FY2018-19	FY2017-18
EBITDA/Turnover (%)	8.11	8.09
EBITDA/Net interest ratio	2.00	1.82
Debt equity ratio	1.25	1.52
Return on equity (%)	13.35	8.58
Book value per share (₹)	96.95	84.01
Earnings per share (₹)	12.94	7.21

### Risk management

**Economic risk:** The business may under-perform in the event of an economic slowdown. However,

over the last few years, India has been consistently reporting GDP growth of around 7%, making it a fast growing major economy.

**Infrastructure spending risk:** The business may under-deliver if the government selects to invest less in infrastructure. However, the government has been prioritising infrastructure investments through the announcement of policies with long-term tenure and impact, providing a multi-year perspective on investments and implementation.

**Low entry barrier risk:** The business that the Company is present in possesses low entry barriers, which could increase competition. However, the Company invested in its engineering and fabrication capability, enhanced economies of scale at the core of its operations, provided a diversified product basket and a correspondingly superior value proposition in each, strengthening its competitive advantage. Few companies possess the breadth and depth of the Company's product basket, making it possible to amortise costs wider.

**Product obsolescence risk:** The products manufactured by the Company could become obsolete and irrelevant. However, the Company believes that in a country that is as vastly under-penetrated as India, its products will remain relevant for years. As a suitable hedge, the Company has extended its presence to other countries where the use of its products is nascent, creating a multi-year opportunity.

**Diluted business focus risk:** The Company may not possess the bandwidth to address the growth



across its various verticals. However, it has created different verticals to enhance focus. Besides, the appointment of Business Heads, empowered to grow the respective verticals, has helped each vertical emerge as a Strategic Business Unit responsible for its sustainable growth.

**Resource inflation risk:** The Company may need to face an increase in raw material costs that affect its profitability. However, the Company entered into contracts with a pass-through clause that made it possible to pass on cost escalations to customers. In specific contracts without this provision, the Company ensured that an adequate buffer was factored into the contract.

**Competence risk:** The Company may not possess the capability to address the manufacture of different products. However, the Company leveraged its core capabilities (engineering and fabrication), which accounted for a major part of the competence required to manufacture different products, and developed the last mile competence to 'finish' the product.

### Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure that there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. The Company has developed well-documented guidelines, procedures for authorisation and approvals which include processes such as audits. Integral to the overall governance,

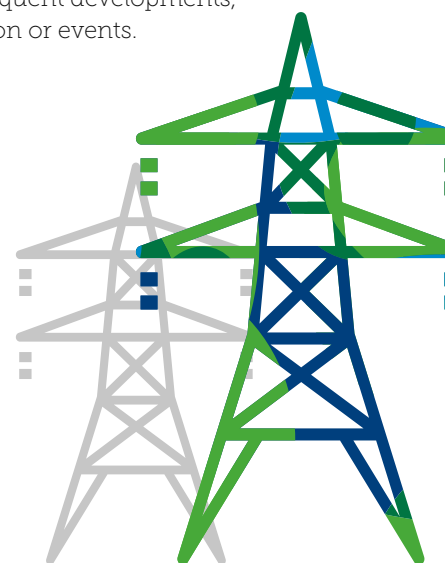
the Company has a well-established internal audit frame work which extensively covers all aspects of financial and operational controls, covering all units, functions and departments. The Company also has an efficient financial reporting system in place. Its internal audit team consists of senior members across various functional departments, some of whom are also key managerial personnel of the Company. They actively engage in the evaluation and improvement of various functions and activities of the Company including restaurant operations, other support functions and departments. The Company also has an Internal Audit cell which supports the Audit Committee besides the independent review of internal controls, operating systems and procedures by external auditors.

### Human resources

The Company employed 421 officers and 159 workmen as on 31st March 2019. Increase in value of human capital through the development of individual and collective competencies helped the Company stay in step with market developments and requirements. The Company implemented programs and projects related to skill development and upgradation of employee competence, alongside programmes of knowledge sharing. A number of innovative ideas, received from employees, were implemented, resulting in enhanced quality, cost optimisation and productivity.

### Cautionary statement

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.



*To avoid duplication and repetition, certain heads of information required to be disclosed in the Management discussion and analysis have been included in the Board's Report.*

# Corporate Information

## Board of Directors

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**Mr. Sunil Bansal**

Chairman & Managing Director

**Mrs. Shreya Bansal**

Director

**Mr. Utkarsh Bansal**

Director- Business Strategies

**Mr. Dilip Kumar Pratiher**

Director- Technical

**Mr. Harvinder Singh Sandhu**

Director- Business Development

**Mr. Subhash Kumar Saraf**

CFO cum Executive Director

**Mr. Prithviraj Basu**

Independent Director

**Mr. Prabir Kumar Basu**

Independent Director

**Chief Financial Officer**

Mr. Subhash Kumar Saraf

**Company Secretary**

Mr. Sanjay Kumar Gupta

**Registrar and Share Transfer Agents**

ABS Consultant Pvt. Ltd

"Stephen House", Room No- 99, 6th Floor

4, B.B.D.Bag(East), Kolkata- 700001

**Auditors****M/s Agarwal Tibrewal & Co.**

Chartered Accountants

Poddar Court, Gate No. -2

3rd Floor, Suite No.- 338, Kolkata- 700001

**Registered Office**

Arrjavv Square, 95A, Elliot Road, 4th Floor,

Kolkata-700016

Phone- +91 33 22646666/22658888

Email- info@utkarshindia.in

**Works**

1. NH-6, Vill- Jangalpur,

P.O. - Andul Mouri, Howrah- 711302

2. NH-2, Durgapur Expressway,

P.O. - Gurap, Hooghly- 712303

**Bankers/NBFC**

Allahabad Bank, Industrial Finance Branch

Bank of Baroda, India Exchange Place Branch

DCB Bank Limited, Shakespeare Sarani Branch

IDBI Bank Limited, Corporate Banking Group Branch

IndusInd Bank Limited, Upper Wood Street Branch

Oriental Bank of Commerce, Rash Behari Avenue Branch

Punjab National Bank, Park Street Branch

State Bank of India, Commercial Branch

Union Bank of India, Lee Road Branch

Bank of India, Large Corporate Branch

Tata Capital Financial Services Limited, Kolkata

# Statutory Reports ▶

# Board's Report

## To the Members,

Your Directors are pleased to present the 24th Annual Report and the Company's Audited Financial Statements for the year ended 31.03.2019.

## 1. Financial Results

The summarized financial results are given in the table below:

(₹ in lakh)

Particulars	Financial Year ended	
	31.03.2019	31.03.2018
Net Turnover	115,153.93	83,377.45
Other Income	286.68	209.40
Total Income	115,440.61	83,586.85
Profit/(Loss) before Interest, Depreciation & Tax	9,441.80	6,839.10
Less: Finance Costs	4,661.18	3,791.57
Profit/(Loss) after Interest before Depreciation & Tax	4,780.62	3,047.53
Less: Depreciation	1,139.20	1,010.44
Profit/(Loss) before Tax	3,641.42	2,037.09
Provision for Taxation		
- Current Tax	1,213.86	644.65
- Income Tax for earlier year	(9.87)	-
- Deferred Tax	124.55	104.69
Profit/(Loss) After Tax	2,312.88	1,287.75
Profit/(Loss) brought forward from previous year	6,117.98	5,089.65
Amount available for appropriation	8,430.86	6,377.40
Adjustment relating to Income Tax Paid on IDS'2016	-	9.42
Transfer to General Reserve	450.00	250.00
Balance carried to Balance Sheet	7,980.86	6,117.98

## 2. Summary of Operations

During the year under review, your Company has achieved net turnover of ₹115,153.93 lakh as compared to ₹83,377.45 lakh in the last year, showing a positive growth of 38.11%. Your Company's profit after tax for the year stood at ₹2,312.88 lakh vis-à-vis ₹1,287.75 lakh in the previous year, increased by 79.61%.

## 3. Market Scenario

FY18-19 was the second consecutive year of economic slowdown in India. Unemployment levels were at a 45 year high and GDP growth at a five-year low. Apart from the consumer goods sector, other sectors such as steel, pharmaceuticals etc. saw declining profits, which does not show well on the economic condition of the country. Most mid cap and small cap stocks were at multi year lows and there was a huge liquidity crisis in the market.

Leaving aside the growth due to India becoming a global hub for manufacturing via "Make in India" scheme, the domestic manufacturing industry was languishing across sectors. Major sectors such as infrastructure, telecom, steel, banking also faced strong headwinds. While growth rates continue to remain weak as we move into 19-20, a combination of government policy support and easing of monetary policies could revive growth rate towards the second half of the year. Even in the face of such an adverse economic climate, Utkarsh India managed to grow in 18-19 with a 38.11% growth in total revenue. Boosted by strong schemes from the government in the various sectors, capacity expansion and better efficiency, as well as a strong market name, Utkarsh India managed to outperform its competition in the given period.

One of the key sectors the Company operates in is the manufacturing of Railway Electrification Structures. The government through the ministry of railways has targeted a 100% electrification of all railways in India in the next 5 years. This has led to a huge demand of electrification structures in the past couple of years with the demand expected to grow for the next decade. There has been approximately 9000-10000 km. electrified up to FY19 out of a total plan to electrify 100,000 TKM by the end of the scheme. This demand is further amplified with requirements coming in from the Dedicated Freight Corridor sector, where new lines are being built across India for freight movement. Being one of the leading players in the segment, Utkarsh India has seen huge growth in this sector and will be one of the key growth drivers for the company in upcoming years.

The Company is also in the sector of manufacturing PVC/uPVC/CPVC/SWR/Agri. Pipes and Fittings. The sector is expected to grow with a CAGR of almost 15% by revenue during the period of FY2018-19 to FY26. Increased demand for PVC pipes comes from the building sector, as well as the agricultural sector. With the launch of schemes such as the Har Ghar Jal scheme by the union government where the government aims to provide every household with water supply by 2024, there would be a further spurt in demand. Utkarsh managed to outperform sector growth rates by almost double, due to increased brand promotion and brand reach. In the financial year, Utkarsh received the award of Emerging Brand of the Year, in the PVC Category, recognized by WCRCINT. Also in the HDPE pipes category, there has been a huge demand aided by the increased acceptability of the product in Bengal and neighboring states such as NE/Bihar and Jharkhand and also schemes for water availability in every household at a state level from states such as Bihar.

The Company also sees a huge push from the roads and highways sector. Two of our products, metal beam crash barriers and polygonal poles (and high mast poles) find application in the roads and highways sector. There has been huge demand in this sector, with the ministry having set a target of constructing at least 12000 kms. in FY2018-19 itself vis a vis 9800 kms achieved in 17-18. In the upcoming years, under the Bharatmala scheme, the government has sanctioned almost 65000 kms. of highways and national highways, which will see a huge spurt in demand for both these products. Being a leader player in both segments, Utkarsh India will manage to capture a bulk of the requirements that come across. Lighting poles division also sees growth in demand from the increased need of illuminating villages, building of stadiums and various other such infra projects across the country, the demand for which will continue in 19-20 and subsequent years as infra spends keep increasing.

One of the key developments of FY19 was the revival of the telecom tower market. While the market had been dormant for the past decade and the Company had focused its tower manufacturing capacities entirely in the production of transmission line towers and substation structures, this year saw a major revival in the telecom sector. This came through increased demand from Reliance Jio, which is trying to build its network

pan India. This gave a huge push to the tower fabricating set up of the Company and resultant growth in this department. This demand is expected to remain into FY20 and FY21 post which, with the arrival of new technology and spectrum in telecom, the Company can see further revival in demand across clients. In the transmission line segment, while the transmission sector under PGCIL and other bodies on a national level remained slow due to most lines being connected across the country, Utkarsh managed to get a fair chunk of these orders. Also there was increased demand at the state level for the smaller lines, with a lot of the demand coming from Bihar, Jharkhand, NE and within Bengal, for which Utkarsh is ideally located to cater to a bulk of this demand in the region.

Another area that saw a major thrust in the past year was the power distribution segment. Under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana – “Saubhagya” scheme, various distribution utilities across states, aided by the REC (Rural Electrification Corporation) worked tirelessly to increase last mile power distribution. In most areas, steel tubular poles are a required for power distribution so the Company saw increased growth in this product as well. Owing to strategic location in Bengal, Company was easily able to cater to the bulk requirement in the NE states that came under this scheme.

#### 4. Expansion Plan

As the Company looks to further consolidate its position as a leader in the railway electrification structures as well as the polygonal poles segments, Company will be adding increased fabrication capacity for both these products in FY20. Also, Company will be adding new fabrication capacity for monopoles, which is fungible with high mast poles, to cater to the growing requirements for both these products. The Company will also be adding increased extrusion capacity in its PVC pipes set up to cater to increased demand and in line with the Company's vision to achieve 100% growth in this category within 2 years. The year will also mark our foray into other fabrication products in the engineering/ heavy engineering sector such as solar structures/ bridges etc. to further strengthen our claim to be a leading supplier of finished steel to infra across sectors. Company will be adding certain capacities to aid Company's foray into these sectors.

#### 5. Credit Rating

Acuite Ratings & Research Limited has assigned rating of ACUITE A-/Stable for long term bank credit facilities and ACUITE A2+ for short term bank facilities.

#### 6. Reserves

The Company proposes to carry ₹450.00 lakh to reserves.

#### 7. Dividend

With a view to conserve resources for the operation and expansion of business of the Company, your Directors did not recommend any Dividend for the year under review.

## 8. Composition of Board

The present strength of Board is eight, details are as follows:

Category	No. of Directors	% to total no. of Directors
Executive Directors including Chairman	5	62.50
Non-Executive Independent Directors	2	25.00
Other Non-Executive Directors including Woman Director	1	12.50
<b>Total</b>	<b>8</b>	<b>100.00</b>

**Details of Board meetings:** During the year, 14 number of Board meetings were held, details of which are given below:

Sl. No.	Date of the meeting	No. of Directors attended the meeting
1.	05.04.2018	8
2.	24.05.2018	8
3.	14.06.2018	8
4.	17.07.2018	8
5.	10.08.2018	8
6.	13.08.2018	8
7.	03.09.2018	8
8.	26.09.2018	8
9.	05.12.2018	8
10.	24.12.2018	8
11.	10.01.2019	8
12.	12.02.2019	8
13.	15.03.2019	8
14.	27.03.2019	8

## 9. Capital Structure

During the year under review, there were no changes in the Authorised Share Capital and Paid-up Share capital of the Company.

## 10. Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed as Annexure 1.

## 11. Committees of Board

The details of composition of the Committees of the Board of Directors are as under:

### a. Audit Committee

The prime object of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The composition of the Committee is as follows:

Sl. No.	Name	Chairman/Member
1.	Mr. Prithviraj Basu	Chairman
2.	Mr. Prabir Kumar Dutta	Member
3.	Mr. Harvinder Singh Sandhu	Member

Mr. Sanjay Kumar Gupta, Company Secretary of the Company is acting as Secretary to the Committee.

During the year, the Committee had met once on 10.08.18.

### ▪ Vigil Mechanism

The Company has in place a vigil mechanism for Directors and Employees to report genuine concerns to bring in writing fraudulent behaviour and instances of violations of law/internal procedures of which they become aware to the Vigilance Officer, Mr. Subhash Kumar Saraf so that action can be taken immediately to resolve the problem.



▪ **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company already had a policy in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Act. There was no case of sexual harassment received in the Company during 2018-19.

**b. Nomination & Remuneration Committee**

The composition of the Committee as on 31.03.2019 is as follows:-

Sl. No.	Name	Chairman/Member
1.	Mr. Prithviraj Basu	Chairman
2.	Mr. Prabir Kumar Dutta	Member
3.	Mrs. Shreya Bansal	Member

During the year, the Committee had met once on 12.02.19.

**c. Corporate Social Responsibility (CSR) Committee**

Sl. No.	Name	Chairman/Member
1.	Mr. Sunil Bansal	Chairman
2.	Mr. Prithviraj Basu	Member
3.	Mr. Subhash Kumar Saraf	Member
4.	Mr. Harvinder Singh Sandhu	Member

During the year, the Committee had met once on 30.03.19.

The Committee had approved the CSR Budget for FY18-19. The CSR policy is uploaded on Company's website at [www.utkarshindia.in](http://www.utkarshindia.in). Further, the Report on CSR Activities/Initiatives is enclosed as Annexure 4. During the year under review, your Company has incurred expenditure to the tune of ₹29.28 lakh towards CSR activities relating to promotion of education, animal welfare, eradicating hunger, distribution of cloths, preventive healthcare, art and culture heritage, medical treatment etc.

**d. Independent Directors (IDs) Committee**

Sl. No.	Name	Chairman/Member
1.	Mr. Prithviraj Basu	Chairman
2.	Mr. Prabir Kumar Dutta	Member

During the year, the Committee had met once on 30.03.19.

## 12. Directors' Responsibility Statement

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Act, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 13. Statutory Auditors, their Report and Notes to Financial Statements

M/s. Agarwal Tibrewal & Co., Chartered Accountants, has been appointed as Statutory Auditors of the Company from the conclusion of the 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting at the 23rd Annual General Meeting held on 29.09.2018. In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on 07.05.2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement.

Further, the report of M/s. Agarwal Tibrewal & Co., Chartered Accountants, Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

## 14. Cost Audit

As per the Companies (Cost Records and Audit) Rules, 2014 and amendment thereto, the Cost Audit is applicable to the Company's number of products. In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. AB & Co., Cost Accountants have been

appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2018-19 by the Board of Directors at its meeting held on 10.08.2018 and by Members of the Company at their 23rdAGM held on 29.09.2018.

Further, M/s. AB & Co., Cost Accountants has been appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2019-20 by the Board of Directors at its meeting held on 16.07.2019. The remuneration proposed to be paid to them requires ratification of the Shareholders of the Company. In view of this, the ratification for payment of remuneration to Cost Auditors is being sought at the ensuing 24thAGM.

## 15. Secretarial Audit

M/s. Seema Sharma & Associates, Company Secretaries in whole time practice was appointed as Secretarial Auditors in place of M/s. Agarwal A& Associates, Company Secretaries in whole time practice, for auditing the secretarial and related records of the Company from the Financial Year 2017-18 onward at the Board Meeting held on 10.10.2017.

The report of the M/s. Seema Sharma & Associates, Secretarial Auditors is enclosed as Annexure 6 to this report. The report is self-explanatory and do not call for any further comments.

## 16. Internal Audit

In terms of Section 138 of the Act and Rules made thereunder, M/s. Shah Ravi & Co., Chartered Accountants has been appointed as Internal Auditors in place of M/s. M/s. Kamal Khemka & Co., Chartered Accountants for conducting the internal audit of the functions and activities of the Company from the financial year 2019-20 onward at the Board Meeting held on 16.07.2019.

## 17. Material changes & commitment affecting the financial position of the Company

There are no material changes affecting the financial position of the Company subsequent to the close of the Fiscal 2019 till the date of the report.

## 18. Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## 19. Particulars of loans, guarantees and investments

The Company has not given any loans, guarantees, made investments as prescribed in Section 186 of the Companies Act, 2013.

## 20. Related party transactions

All contracts or arrangements with related parties entered into during the financial year were on an arm's length basis and in the ordinary course of business and have been approved by the Audit Committee in accordance with the Related Party Transactions (RPTs) policy of the Company. The details of transactions entered into with the Related Parties are enclosed as Annexure 3.

## 21. Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company always maintains cordial relationship with the entire workforce.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## 22. Statement containing salient features of financial statements of subsidiaries/associate companies/joint ventures

Pursuant to Section 129(3) of the Act, the statement containing the salient feature of the financial statement of a Company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as Annexure 2.

## 23. Risk Management

The Audit Committee of the Board reviews the Risk Management periodically in accordance with Risk Management policy of the Company. The Company's Risk Management processes focuses on ensuring that the risks are identified on a timely basis and addressed. The objective of the Risk Management is to create and protect Stakeholders value by minimizing threats or losses and indentifying and maximizing opportunities.

## 24. Declaration by Independent Directors

Mr. Prithviraj Basu and Mr. Prabir Kumar Dutta are Independent Directors (IDs) on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as IDs of the Company.

## 25. Company's policy on appointment and remuneration

The Nomination and Remuneration Committee ("NRC") shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The NRC shall, while formulating the policy ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully, relationship of remuneration to performance is clear and meets appropriate performance benchmarks and remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## 26. Significant and Material Orders Passed by the Regulators/Courts

During the year under review, there is no significant or material order passed by any regular, court or tribunal impacting the going concern status and Company's operations.

## 27. Directors and Key Managerial Personnel

Mr. Utkarsh Bansal, Whole-time Director retires by rotation at the forthcoming 24th AGM and being eligible, offers himself for reappointment.

Mr. Subhash Kumar Saraf, CFO cum Executive Director has been reappointed for a further period of three years w.e.f. 22.02.2019 to 21.02.2022 on such terms and conditions including remuneration duly approved by Nomination and Remuneration Committee and Board at their meeting held on 12.02.19 and the Members of the Company by Ordinary Resolution at the Extra-Ordinary General Meeting held on 11.03.19. Mr. Prithviraj Basu, Independent Director whose period of office expired on 31.03.2019 was reappointed as an Independent Director of the Company for a term of five consecutive years i.e. from 01.04.2019 to 31.03.2024 duly approved by Nomination and Remuneration Committee and Board at their meeting held on 12.02.19 and the Members of the Company by Special Resolution at the Extra-Ordinary General Meeting held on 11.03.19.

## 28. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which

were required to be transferred to Investor Education and Protection Fund (IEPF).

As per the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, Form 5INV is required to be filed only in case there are unclaimed and unpaid amounts as referred to in sub-section (2) of Section 205C of the Companies Act, 1956 [Section 125(2)(c) of the Companies Act, 2013].

## 29. Fixed Deposits

Your Company has not accepted any deposits from public in terms of Section 73 of the Act.

## 30. Particulars of Employees

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, statement of particulars of employees is annexed as Annexure-5.

## 31. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

### (a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The Company's plants are having inbuilt features for minimum energy consumption. Energy Savings devices/equipments are installed to ensure savings in power consumption. Steps are taken for replacing defective and inefficient equipments as and when required. Every year Company obtained energy audit conducted by Independent Expert to get the optimal result.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Currently the Company is not utilizing any alternate source of energy. However the Company is exploring possibilities for utilizing Solar lights in the factory premises.
(iii)	the capital investment on energy conservation equipments	No material expenditure was incurred on energy conservation equipments.

### (b) Technology absorption

#### (i) Efforts made towards technology absorption

Continuous efforts are being made towards improvements in the existing production process.

#### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution

The Company is successful in improving the productivity/ quality of its product and able to reduce cost to some extent. Thus the Company has been able to satisfy the consumers' need and business requirements.

#### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Sl. No.	Technology Imported	Year of Import	Absorption
1.	Electro Mechanical Vibrahoist	2018-19	Fully Absorbed
2.	Positioning Module for CNC	2018-19	Fully Absorbed
3.	Rotary Union for Drilling Plate Machine	2018-19	Fully Absorbed
4.	Triode/ Oscillator Valve	2018-19	Fully Absorbed
5.	Press Break Machine Tools	2017-18	Fully Absorbed
6.	CNC Punching, Marking and Cutting Machine for Angle	2016-17	Fully Absorbed
7.	CNC Hydraulic Punching and Marking Machine for Plates	2016-17	Fully Absorbed
8.	CNC High Speed Drilling Machine	2016-17	Fully Absorbed

(iv) The expenditure incurred on Research and Development

Expenses incurred are charged to respective heads are not allocated separately.

**(c) Foreign exchange earnings and Outgo**

The total foreign exchange used was ₹4,986.11 lakh in FY2018-19 compared to ₹5,726.68 lakh in FY2017-18 decreased by 12.93% and the total foreign exchange earned was ₹6,305.04 lakh in FY2018-19 as against ₹5,875.86 lakh in FY2017-18 increased by 7.30%.

**32. Acknowledgement**

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company. The resilience to meet challenges was made possible by the hard work, solidarity, co-operation and support.

Your Directors also thank the customers, dealers, suppliers, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

**Utkarsh India Limited**

**Sunil Bansal**

*Chairman & Managing Director*

DIN 00297336

Date: 16.07.2019

Place: Kolkata

## Annexure 1

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019  
of  
UTKARSH INDIA LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i	CIN	:	U51109WB1995PLC070893
ii	Registration Date	:	05.04.1995
iii	Name of the Company	:	<b>Utkarsh India Limited</b> (Formerly Utkarsh Tubes & Pipes Limited)
iv	Category / Sub-Category of the Company	:	Public Company- Limited by shares
v	Address of the Registered Office and contact details	:	23A, NetajiSubhas Road, 5th Floor, Room No. 22, P.S. Hare Street, Kolkata- 700 001  Tel. nos.: 033 2230 9124/25 Fax no.: 033 2230 5384  E-mail: info@utkarshindia.in Website: www.utkarshindia.in
vi	Whether listed company	:	No
vii	Name, Address and contact details of Registrar & Transfer Agents (RTA), 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:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company #
1.	Engineering Products	25119- Manufacture of Engineering Products.	89.57
2.	Polymer Products	22209- Manufacture of Polymer Products.	10.43

# On the basis of Gross Turnover.

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Bansal Poles Limited, 23A, N. S. Road, 8th Fl., R. No. 9, Kolkata- 1	U27109WB2003PLC096946	Associate	Nil	2(6) Business decisions under an Agreement.
2.	Utkarsh Metal Industries Pvt. Ltd., 23A, N. S. Road, 5th Fl., Kolkata- 1	U13209WB2007PTC119332	Associate	Nil	-do-
3.	MadhuvanVinimay Pvt. Ltd., 15, Ganesh Chandra Avenue, 8th Fl., Kolkata-13	U51909WB2007PTC118753	Associate	Nil	-do-



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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	-	3622500	3622500	20.27	3700500	14000	3714500	20.79	0.52
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.									
(e) Banks / FI									
(f) Any Other...									
<b>Sub-total (A) (1):-</b>		3622500	3622500	20.27	3700500	14000	3714500	20.79	0.52
<b>(2) Foreign</b>									
(a) NRIs -									
Individuals									
(b) Other -									
Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other...									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) =</b>									
<b>(A)(1)+(A)(2)</b>		3622500	3622500	20.27	3700500	14000	3714500	20.79	0.52
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
<b>Sub-total (B)(1):</b>									
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	-	14153400	14153400	79.20	-	14153400	14153400	79.20	0.00
(ii) Overseas									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	12600	12600	0.07	600	2000	2600	0.01	0.06
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	82000	82000	0.46	-	-	-	-	0.46
<b>(c) Others (specify)</b>									
<b>Sub-total (B)(2):</b>									
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	-	14248000	14248000	79.73	600	14155400	14156000	79.21	0.52
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total</b>									
(A+B+C)	-	17870500	17870500	100.00	3701100	14169400	17870500	100.00	0.00

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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.	Mr. Sunil Bansal	2324825	13.01	-	2384825	13.35	-	0.34
2.	Mrs. Shreya Bansal	187500	1.05	-	187500	1.05	-	0.00
3.	Mr. Utkarsh Bansal	1096175	6.13	-	1128175	6.31	-	0.18
4.	Mr. Sunil Bansal as Karta of S.K.Bansal- HUF	14000	0.08	-	14000	0.08	-	0.00

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

Sl. No.		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	3622500	20.27	3622500	20.27
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		1)	Transfer of 28,000 equity shares by Ms. Sulochana Kedia to Mr. Sunil Bansal registered at the Board Meeting held on 26.09.18.		
		2)	Transfer of 32,000 equity shares by Mr. Nanda Kishore Sharma to Mr. Sunil Bansal registered at the Board Meeting held on 26.09.18.		
		3)	Transfer of 22,000 equity shares by Smt. Sarojini Modi to Mr. Utkarsh Bansal registered at the Board Meeting held on 26.09.18.		
		4)	Transfer of 10,000 equity shares by Smt. Mira Devi Kedia to Mr. Utkarsh Bansal registered at the Board Meeting held on 26.09.18.		
	At the end of the year	3714500	20.79	3714500	20.79

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

Sl. No.	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
<b>At the beginning of the year</b>					
1.	Dover Tie up Private Limited	1782000	9.97	1782000	9.97
2.	PrecotDealcomm Private Limited	1701000	9.52	1701000	9.52
3.	Majestic Barter Private Limited	1600000	8.95	1600000	8.95
4.	Wise Dealcom Private Limited	1509000	8.44	1509000	8.44
5.	Bansal Poles Limited	1475000	8.25	1475000	8.25
6.	YamunotryVyapaar Private Limited	910000	5.09	910000	5.09
7.	Comic Tracom Private Limited	853500	4.78	853500	4.78
8.	Dadi-Ma Steels (India) Private Limited	799000	4.47	799000	4.47
9.	Arpan Sales Private Limited	778400	4.36	778400	4.36
10.	Raj Laxmi Goods Private Limited	772000	4.32	772000	4.32
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
<b>At the end of the year</b> (or on the date of separation, if Separated during the year)					
1.	Dover Tie up Private Limited	1782000	9.97	1782000	9.97
2.	PrecotDealcomm Private Limited	1701000	9.52	1701000	9.52
3.	Majestic Barter Private Limited	1600000	8.95	1600000	8.95
4.	Wise Dealcom Private Limited	1509000	8.44	1509000	8.44
5.	Bansal Poles Limited	1475000	8.25	1475000	8.25
6.	YamunotryVyapaar Private Limited	910000	5.09	910000	5.09
7.	Comic Tracom Private Limited	853500	4.78	853500	4.78
8.	Dadi-Ma Steels (India) Private Limited	799000	4.47	799000	4.47
9.	Arpan Sales Private Limited	778400	4.36	778400	4.36
10.	Raj Laxmi Goods Private Limited	772000	4.32	772000	4.32

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	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
<b>At the beginning of the year</b>					
1.	Mr. Sunil Bansal	2324825	13.01	2324825	13.01
2.	Mrs. Shreya Bansal	187500	1.05	187500	1.05
3.	Mr. Utkarsh Bansal	1096175	6.13	1096175	6.13
4.	Mr. Dilip Kumar Pratiher	500	0.00	500	0.00
Date wise Increase / Decrease in Share holding during the year specifying thereasons for increase /decrease (e.g. allotment / transfer / bonus/ sweatequity etc):		Transfer of 100 equity shares each by Mr. Tarun Kanti Dutta, Mr. Ramji Prasad Singh, Dr. ParthaSarathiMitra, Mr. Vivek Bansal, Mr. Pankaj Kumar Kedia and Mr. Suresh Kumar Kedia to Mr. Subhash Kumar Saraf registered at the Board Meeting held on 26.09.18.			
<b>At the end of the year</b>					
1.	Mr. Sunil Bansal	2384825	13.35	2384825	13.35
2.	Mrs. Shreya Bansal	187500	1.05	187500	1.05
3.	Mr. Utkarsh Bansal	1128175	6.31	1128175	6.31
4.	Mr. Dilip Kumar Pratiher	500	0.00	500	0.00
5.	Mr. Subhash Kumar Saraf	600	0.00	600	0.00

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	22058.64	2438.00	-	24496.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22058.64</b>	<b>2438.00</b>	<b>-</b>	<b>24496.64</b>
<b>Change in Indebtedness during the financial year</b>				
▪ Addition	-	2336.38	-	2336.38
▪ Reduction	3653.31	-	-	3653.31
<b>Net Change</b>	<b>(3653.31)</b>	<b>2336.38</b>	<b>-</b>	<b>(1316.93)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18405.33	4774.38	-	23179.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>18405.33</b>	<b>4774.38</b>	<b>-</b>	<b>23179.71</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Mr. Sunil Bansal, MD	Mr. S. K. Saraf, CFO cum ED	Mr. D. K. Pratiher, Director (Technical)	Mr. H. S. Sandhu, Director (Business Development)	Mr. U. Bansal, Director (Business Strategies)	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	24.00	27.50	22.86	60.00	314.36
	(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>180.00</b>	<b>24.00</b>	<b>27.50</b>	<b>22.86</b>	<b>60.00</b>	<b>314.36</b>
	Ceiling as per the Act	The payment of remuneration by the Company to the managerial persons is as per Section 197(3) of the Companies Act, 2013 (minimum remuneration as per provisions of Schedule V of the Act) having inadequate profit without Central Government approval.					

B. Remuneration to other directors:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. P.Basu, ID	Mr. P.K. Dutta, ID	Mrs. Shreya Bansal, NED	
1.	Independent Directors				
	▪ Fee for attending board / committee meetings	4.13	Nil		4.13
	▪ Commission	Nil	Nil		Nil
	▪ Others, please specify	Nil	Nil		Nil
	<b>Total (1)</b>	<b>4.13</b>	<b>Nil</b>	<b>Nil</b>	<b>4.13</b>
2.	Other Non-Executive Directors				
	▪ Fee for attending board / committee meetings			Nil	Nil
	▪ Commission			Nil	Nil
	▪ Others, please specify			Nil	Nil
	<b>Total (2)</b>			<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>4.13</b>	<b>Nil</b>	<b>Nil</b>	<b>4.13</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>318.49</b>
	Overall Ceiling as per the Act	The payment of remuneration by the Company to the managerial persons is as per Section 197(3) of the Companies Act, 2013 (minimum remuneration as per provisions of Schedule V of the Act) having inadequate profit without Central Government approval.			

C. Remuneration to key Managerial Personnel other than MD / Manager / Wtd

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. S.K.Gupta, CS	Total
	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.02	12.02
(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</b>	<b>12.02</b>	<b>12.02</b>

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			Nil		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			Nil		
Compounding					



## Annexure 2

## Form No. AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part A Subsidiaries

There are no subsidiaries during the year.

- |     |  |
|-----|--|
| 1.  | Sl. No.  |
| 2.  | Name of the subsidiary   |
| 3.  | The date since when subsidiary was acquired  |
| 4.  | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      |
| 5.  | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. |
| 6.  | Share capital  |
| 7.  | Reserves & surplus   |
| 8.  | Total assets   |
| 9.  | Total Liabilities  |
| 10. | Investments  |
| 11. | Turnover   |
| 12. | Profit before taxation   |
| 13. | Provision for taxation   |
| 14. | Profit after taxation  |
| 15. | Proposed Dividend  |
| 16. | Extent of shareholding (in percentage)   |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations. - None
- Names of subsidiaries which have been liquidated or sold during the year. - None

## Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Bansal Poles Limited, Associate	Utkarsh Metal Industries Pvt. Ltd., Associate	MadhuvanVinimay Pvt. Ltd., Associate
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired	01.08.2014	01.04.2017	01.04.2016
3. Shares of Associate or Joint Ventures held by the company on the year end  No.  Amount of Investment in Associates or Joint Venture  Extend of Holding (in percentage)	Nil	Nil	Nil
4. Description of how there is significant influence	Business decisions under an agreement.	Business decisions under an agreement.	Business decisions under an agreement.
5. Reason why the associate/joint venture is not consolidated	Preparation of CFS is not required if it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India. (MCA Notification dated 27.07.2016 [G.S.R. 742(E)], clause (ii) of second proviso of Rule 6 of the Companies (Accounts) Amendment Rules, 2016).	Preparation of CFS is not required if it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India. (MCA Notification dated 27.07.2016 [G.S.R. 742(E)], clause (ii) of second proviso of Rule 6 of the Companies (Accounts) Amendment Rules, 2016).	Preparation of CFS is not required if it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India. (MCA Notification dated 27.07.2016 [G.S.R. 742(E)], clause (ii) of second proviso of Rule 6 of the Companies (Accounts) Amendment Rules, 2016).
6. Networth attributable to shareholding as per latest audited Balance Sheet	₹4,85,17,458/-	₹3,62,68,155.28	₹1,91,61,486.25
7. Profit or Loss for the year			
i. Considered in Consolidation	Nil	Nil	Nil
ii. Not Considered in Consolidation	₹(17,84,509)	₹17,679.28	₹8,194.25

The following information shall be furnished:-

- Names of associates or joint ventures which are yet to commence operations. - None
- Names of associates or joint ventures which have been liquidated or sold during the year. - None.

**Sunil Bansal**  
(Chairman & Managing Director)  
DIN- 00297336

**Subhash Kumar Saraf**  
(CFO cum Executive Director)  
DIN- 02357354

**Sanjay Kumar Gupta**  
(Company Secretary)  
FCS- 6923

Date: 16.07.2019

Place: Kolkata

## Annexure 3

## 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 arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: N.A.**

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

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

- (a) Name(s) of the related party and nature of relationship: Bansal Poles Limited, an Associate company of UtkarshIndia Limited.
- (b) Nature of contracts/arrangements/transactions: Long Term Contract for sell of G.I. Pipes etc.
- (c) Duration of the contracts/arrangements/transactions: Throughout the F.Y. 2018-19.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
UtkarshIndia Limited will sell G.I. Pipes etc. to Bansal Poles Limited for ₹50 crore or less per financial year. Bansal Poles Limited will have the option to purchase G.I. Pipes etc. from third parties. The price of G.I. Pipes etc. charged by UtkarshIndia Limited has no economic impact on the interests of the Company or its Shareholders.
- (e) Date(s) of approval by the Board, if any: 24.05.2018
- (f) Amount paid as advances, if any: Nil

**Sunil Bansal**  
(Chairman & Managing Director)  
DIN- 00297336

Date: 16.07.2019  
Place: Kolkata

# Report on CSR Activities / Initiatives

[Pursuant to Section 135 of the Act & Rules made thereunder]

## 1. A brief outline of the Company's CSR policy:

The Board of Directors (Board) adopted the CSR Policy on 17.02.2015 which is available on the Company's website at [www.utkarshindia.in](http://www.utkarshindia.in). The basic objective of the Company is to contribute for social and environmental causes on a regular basis. The main CSR activities/ initiatives of the Company are to promote education, eradicate extreme hunger and poverty, ensure environmental sustainability and healthcare, animal welfare, promotion and development of art and culture heritage etc.

## 2. The composition of the CSR Committee:

Sl. No.	Name	Chairman/ Member
1.	Mr. Sunil Bansal	Chairman
2.	Mr. Prithviraj Basu	Member
3.	Mr. Subhash Kumar Saraf	Member
4.	Mr. Harvinder Singh Sandhu	Member

## 3. Average Net Profit of the company for last 3 financial years:

₹1,456.94 lakh

## 4. Prescribed CSR expenditure (2% of amount):

₹29.14 lakh

## 5. Details of CSR activities/projects undertaken during the year:

a) total amount to be spent for the financial year:

₹29.28 lakh

b) amount un-spent, if any:

₹Nil

c) manner in which the amount spent during financial year, is detailed below:

(₹ in lakh)

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/others- 2.specify the state / district  (Name of the District/s, State/s where project/ programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1. Direct expenditure on project/ programme, 2. Overheads:	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency*
1.	a) Distribution of Food (Annadanam)for needy and very poor people.	Eradicating extreme hunger, poverty and malnutrition and sanitation and making available safe drinking water and promoting health care including preventive health care.	Gokuldham, Maduvankarai, Sriperumbudur, Kanchipuram Dist., Tamilnadu.	5.00	5.00	5.00	Kshetropasna Trust.
	b) Distribution of free cloths to the poor.		Gokuldham, Maduvankarai, Sriperumbudur, Kanchipuram Dist., Tamilnadu.	3.50	3.51	3.51	Kshetropasna Trust.
	c) Distribution of Blanket as ParidhanUtsav to 160 poor Children and old people during winter.		Uttar Kajirhat Village at South 24 Parganas.	0.22	0.22	0.22	Nirmal and Kabita Foundation (NGO).
	d) Provided one Lighting Poles to the Trust for installation in the area of temple in order to have an enough light for the Devotee to avoid mishap.		Kalitolla, Jagdishpur, Pakuria, Howrah.	1.52	1.65	1.65	Sri Bal Hanuman MandalSeva Trust.
2	a) Promoting education "EkalVidyalaya- One Teacher School (OTS)" project by adoption of thirty (30) OTS for Tribal Villages in 10 Districts of West Bengal.	Promotion of education.	Ten Tribals Districts of West Bengal- Malda, Alipurduar, Balurghat, Naxalbari, Raiganj, Sonarpur, Rampurhat, Purulia, Barasat, Medinipur.	6.00	6.00	6.00	Friends of Tribals Society. (F.T.S.)
	b) Construction of three-storey School Building for the students uptoMadhyamik Standard at Deoghar, Jharkhand.		At Dumma Village, Deoghar (Jharkand).	2.00	2.00	2.00	Sheo Bai Bansal Charitable Trust.
	c) Education to the needy students.		Gokuldham, Maduvankarai, Sriperumbudur, Kanchipuram Dist., Tamilnadu	2.00	2.00	2.00	Kshetropasna Trust.
3.	a) Providing the Medical aid to the poor.	Promoting gender equality and empowering women, old age homes for senior citizens, medical facilities etc.	Gokuldham, Maduvankarai, Sriperumbudur, Kanchipuram Dist., Tamilnadu	0.50	0.50	0.50	Kshetropasna Trust.
	b) Health Check-up and Eye Testing Camp to the people of the society.		Kolkata, West Bengal.	2.00	2.00	2.00	Alambazar Shree Shyam Dhawja Mandal.



(₹ in lakh)

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/others- 2.specify the state / district  (Name of the District/s, State/s where project/ programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1. Direct expenditure on project/ programme, 2. Overheads:	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency*
4.	a) Annual Cow-Welfare Scheme for five (11) nos. of cow. b) Protection of cows at Goshala.	Ensuring environmental sustainability, animal welfare etc.	Liluah, Sodepur, Kalyani, Ranigunj in West Bengal.	1.65	1.65	1.65	Calcutta Pinjrapole Society.
			Gokuldharm, Maduvankarai, Sriperumbudur, Kanchipuram Dist., Tamilnadu	2.50	2.50	2.50	Kshetropasna Trust.
5.	Adoption of 31 Sanskar Kendra (Spreading the message of spiritual awakening among the tribal and rural community).	Protection of national heritage and promotion and development of art and culture.	At various tribal belt of our Country (India).	1.25	1.25	1.25	Shree hari Satsanga Samity (Cultural Society for Tribals).
6.	Training and promotion and organizing All India Invitational Boxing Championship in West Bengal for Men and Women and to help the under privileged boxers of the country.	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	Hazra Park, Kolkata.	1.00	1.00	1.00	Bhowanipur Boxing Association.
	Total			29.14	29.28	29.28	

\*Give details of implementing Agency.

1. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:

Not Applicable.

2. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with our CSR objectives.

**Sunil Bansal**  
(Managing Director & Chairman of CSR Committee)  
DIN 00297336

**Subhash Kumar Saraf**  
(CFO cum Executive Director)  
DIN 02357354

Date: 16.07.2019

Place: Kolkata

## Annexure 5

## Annexure - A

Statement of Particulars of employees pursuant to the Companies  
(Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received ₹	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
1.	Mr. Sunil Bansal	Chairman & Managing Director	₹180.00 lakh	Commerce Graduate (Honours)	27	50	20.11.2006	N.A.

## Notes:

- All appointments are / were contractual.
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund.

# Independent Auditors' Report

TO  
THE MEMBERS OF  
UTKARSH INDIA LIMITED  
CIN: U51109WB1995PLC070893

## 1. Report on the Audit of the Standalone Financial Statements :

### (a) Opinion :

We have audited the accompanying **Standalone** financial statements of **UTKARSH INDIA LIMITED (formerly Utkarsh Tubes and Pipes Limited) ("the Company")**, which comprise the **Balance Sheet** as at **31.03.2019**, the **Statement of Profit & Loss** and the **Statement of Cash Flows** for the year ended on that date, and a **summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone financial statements")**.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profit and its cash flows for the year ended on that date.

### (b) Basis for Opinion :

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (the "Act") (SAs). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Standalone Financial Statements** section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of the Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### (c) Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

## 2. Information other than the Standalone Financial Statements and Auditor's Report Thereon :

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report, Management Discussion and Analysis, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## 3. Management's Responsibility for the Standalone Financial Statements :

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### 4. Auditor's Responsibility for the Audit of the Standalone Financial Statements :

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

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

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statement

represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it's probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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

##### 5.1 As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The **Balance Sheet, the Statement of Profit and Loss** and the **Statement of Cash Flow** dealt with by this Report are in agreement with the relevant books of account;
- (d) In our opinion, the aforesaid **Standalone financial statements** comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors, as on 31.03.2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2019 from being appointed as a directors 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". Our report expresses an **unmodified opinion** on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company has disclosed the impact of its pending litigations on its financial position in its financial statements – Refer Note 2.25 to the financial statements.

(ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**5.2 As required by the Companies (Auditors' Report) Order, 2016** ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "ANNEXURE- B", a statement on the matters specified in paragraph 3 and 4 of the said Order.

For **AGARWAL TIBREWAL & CO.**  
*Chartered Accountants*  
FRN No.328977E

Place: Kolkata  
Date: 16.07.2019

**CA Amit Agarwal**  
*Partner*  
Membership No. 303411



## “ANNEXURE – A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF UTKARSH INDIA LIMITED

Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) - Referred to in paragraph 5.1(f) of our report of even date to the Standalone financial statements of the Company for the year ended 31.03.2019:

We have audited the internal financial controls over financial reporting of UTKARSH INDIA LIMITED (formerly Utkarsh Tubes and Pipes Limited) (“the Company”), as of 31.03.2019, in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 includes 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 respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### 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.

### 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, to the best of our information and according to the explanations given to us, 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 31.03.2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AGARWAL TIBREWAL & CO.  
Chartered Accountants  
FRN No.328977E

CA Amit Agarwal  
Partner

Place: Kolkata  
Date: 16.07.2019

Membership No. 303411

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of the immovable properties are held in the name of the Company.
- 2) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provisions of the Act and rules framed there under are not applicable.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.
- 7) A) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is (generally) regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, employees group gratuity fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable on it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Goods and service tax and cess were in arrears, as at 31.03.2019 for a period of more than six months from the date they became payable.
- B) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following dues which have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (₹ In lakh)	Period to which amount relates	Forum where dispute is pending
The West Bengal Value Added Tax Act	Value Added Tax/Penalty/ Interest	48.83	2005-06	Appellate & Revision Board
Central Sales Tax Act	Central Sales Tax	50.00	2005-06	Appellate & Revision Board
The West Bengal Value Added Tax Act	Value Added Tax/Penalty/ Interest	141.09	2006-07	Fast Track Revision Board
Central Sales Tax Act	Central Sales Tax	218.39	2006-07	Appellate & Revision Board
The West Bengal Value Added Tax Act	Value Added Tax/Penalty/ Interest	551.10	2007-08	Appellate & Revision Board
Central Sales Tax Act	Central Sales Tax	27.75	2007-08	Appellate & Revision Board
Central Sales Tax Act	Central Sales Tax	25.03	2010-11	Appellate & Revision Board
The West Bengal Value Added Tax Act	Value Added Tax/Penalty/ Interest	4.82	2011-12	Appellate & Revision Board
Central Sales Tax Act	Central Sales Tax	72.37	2011-12	Appellate & Revision Board
Central Sales Tax Act	Central Sales Tax	55.09	2013-14	Sr. Joint Commissioner (Appeal)
The West Bengal Value Added Tax Act	Value Added Tax/Penalty/ Interest	3.64	2014-15	Appellate & Revision Board

Name of the Statute	Nature of the Dues	Amount (₹ In lakh)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act	Central Sales Tax	42.13	2014-15	Appellate & Revision Board
Central Sales Tax Act	Central Sales Tax	75.18	2015-16	Sr. Joint Commissioner (Appeal)
The West Bengal Entry Tax Act	Entry Tax/Interest/Penalty	47.00	2013-14	Stay by Kolkata High Court
The West Bengal Entry Tax Act	Entry Tax/Interest/Penalty	153.18	2014-15	Stay by Kolkata High Court
The West Bengal Entry Tax Act	Entry Tax/Interest/Penalty	307.47	2015-16	Stay by Kolkata High Court
The West Bengal Entry Tax Act	Entry Tax/Interest/Penalty	287.68	2016-17	Stay by Kolkata High Court
The West Bengal Entry Tax Act	Entry Tax/Interest/Penalty	76.13	2017-18	Stay by Kolkata High Court
Central Board of Indirect Taxes & Customs	Excise Tax	18.92	2011-12	Appeal pending with CESTAT
Central Board of Indirect Taxes & Customs	Service Tax	44.06	2013-14 to 2016-17	Appeal pending with CESTAT

- 8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the Company has not defaulted in repayment of dues to financial institutions, banks, or Government dues. The Company has not issued any debentures.
- 9) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year; Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of (xv) of the Order is not applicable to the Company. The Company has not entered into non-cash transactions with directors or persons connected with him.
- 16) The Company is not required to get itself registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **AGARWAL TIBREWAL & CO.**  
Chartered Accountants  
FRN No.328977E

**CA Amit Agarwal**  
Partner  
Membership No. 303411

Place: Kolkata  
Date: 16.07.2019

# Balance Sheet

as at 31.03.2019

(₹ in lakh)

	Note	As at 31.03.2019	As at 31.03.2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,787.05	1,787.05
Reserves and surplus	2.2	15,538.66	13,225.78
		<b>17,325.71</b>	<b>15,012.83</b>
<b>Non current liabilities</b>			
Long term borrowings	2.3	8,292.21	7,145.18
Deferred tax liabilities (net)	2.4	1,809.81	1,685.26
Other non current liabilities	2.5	1.00	1.00
		<b>10,103.02</b>	<b>8,831.44</b>
<b>Current liabilities</b>			
Short term borrowings	2.6	13,280.72	15,708.44
Trade payables	2.7		
Dues to micro and small enterprises		-	-
Dues to other creditors		20,544.92	15,651.90
Other current liabilities	2.8	5,250.49	3,837.77
Short term provisions	2.9	527.66	35.58
		<b>39,603.79</b>	<b>35,233.69</b>
<b>Total</b>		<b>67,032.52</b>	<b>59,077.96</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	2.10 A	17,456.36	15,705.74
Intangible assets	2.10 B	15.72	30.63
Capital work in progress	2.10 C	569.19	291.60
		<b>18,041.27</b>	<b>16,027.97</b>
Non current investments	2.11	57.89	57.89
Long term loans and advances	2.12	165.49	346.04
		<b>18,264.65</b>	<b>16,431.90</b>
<b>Current assets</b>			
Inventories	2.13	24,727.47	21,742.59
Trade receivables	2.14	19,575.04	17,015.36
Cash and cash equivalents	2.15	1,984.35	1,302.29
Short term loans and advances	2.16	2,481.01	2,585.82
		<b>48,767.87</b>	<b>42,646.06</b>
<b>Total</b>		<b>67,032.52</b>	<b>59,077.96</b>
Significant accounting policies and notes to the financial statements	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Agarwal Tibrewal & Co.**  
Firm Registration No.: 328977E  
Chartered Accountants

**CA Amit Agarwal**  
Partner  
Membership No. 303411

Place: Kolkata  
Date: 16.07.2019

For & on behalf of the Board

**Sunil Bansal**  
Chairman & Managing Director  
DIN - 00297336

**Subhash Kumar Saraf**  
CFO & Executive Director  
DIN - 02357354

**Sanjay Kumar Gupta**  
Company Secretary  
FCS - 6923

# Statement of Profit and Loss

for the year ended 31.03.2019

(₹ in lakh)

	Note	2018-19	2017-18
<b>INCOME</b>			
Revenue from operations (gross)	2.17	1,15,153.93	85,235.65
Less : Excise duty		-	1,858.20
Revenue from operations (net)		1,15,153.93	83,377.45
Other income	2.18	286.68	209.40
<b>Total revenue</b>		<b>1,15,440.61</b>	<b>83,586.85</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	2.19	92,209.23	65,682.84
Changes in inventories of finished goods and work-in-progress	2.20	(3,716.48)	(1,712.12)
Employee benefits expenses	2.21	2,160.42	1,708.13
Finance costs	2.22	4,661.18	3,791.57
Depreciation & amortisation expenses	2.10	1,139.20	1,010.44
Other expenses	2.23	15,452.84	11,068.61
<b>TOTAL EXPENSES</b>		<b>1,11,906.39</b>	<b>81,549.47</b>
<b>Profit before exceptional items and tax</b>		<b>3,534.22</b>	<b>2,037.38</b>
Exceptional items	2.24	(107.20)	0.29
<b>Profit before tax</b>		<b>3,641.42</b>	<b>2,037.09</b>
<b>Tax expenses</b>			
- Current tax		1,213.86	644.65
- Income tax for earlier year		(9.87)	-
- Deferred tax		124.55	104.69
<b>Profit for the year</b>		<b>2,312.88</b>	<b>1,287.75</b>
<b>EARNINGS PER EQUITY SHARE (refer note 2.32)</b>			
Equity shares of par value 10/- each			
Basic /Diluted		12.94	7.21
Significant accounting policies and notes to the financial statements	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Agarwal Tibrewal & Co.**  
Firm Registration No.: 328977E  
Chartered Accountants

**CA Amit Agarwal**  
Partner  
Membership No. 303411

Place: Kolkata  
Date: 16.07.2019

For & on behalf of the Board

**Sunil Bansal**  
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DIN - 00297336

**Subhash Kumar Saraf**  
CFO & Executive Director  
DIN - 02357354

**Sanjay Kumar Gupta**  
Company Secretary  
FCS - 6923



# Cash Flow Statement

for the year ended 31.03.2019

(₹ in lakh)

	2018-19	2017-18
<b>A Cash flows from operating activities</b>		
Net Profit before tax	3,641.42	2,037.09
<b>Non- cash adjustment to reconcile profit before tax to be cash flows :</b>		
Depreciation & amortisation expenses	1,139.20	1,010.44
Loss /(profit) on sale of Property, plant and equipment	(1.16)	(8.68)
Interest income	(262.88)	(96.08)
Interest expenses	4,661.18	3,699.23
<b>Operating profit before working capital changes</b>	<b>9,177.76</b>	<b>6,642.00</b>
<b>Movements in working capital:</b>		
Increase / (decrease) in trade payable	4,893.02	2,897.13
Increase / (decrease) in short term provisions	7.79	5.61
Increase / (decrease) in current liabilities	1,412.72	865.75
Decrease / (increase) in trade receivables	(2,559.68)	137.98
Decrease / (increase) in inventories	(2,984.88)	(4,457.65)
Decrease / (increase) in short term loans and advances	104.81	(1,624.65)
<b>Cash generated from / (used in) operations</b>	<b>10,051.54</b>	<b>4,466.17</b>
Direct taxes paid (net of refunds)	(786.69)	(905.20)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>9,264.85</b>	<b>3,560.97</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, plant and equipment (including CWIP)	(3,153.14)	(2,268.09)
Proceeds from sale of Property, plant and equipment	1.80	19.24
Sale /(Purchase) of investments	(541.80)	58.16
Decrease / (increase) in non current long term loans and advances	247.54	390.33
Interest received	262.88	96.08
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(3,182.72)</b>	<b>(1,704.28)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from / (repayment of) long term borrowings (net)	1,147.03	177.83
Proceeds from / (repayment of) short term borrowings (net)	(2,427.72)	1,363.56
Interest paid	(4,661.18)	(3,699.23)
<b>Net cash flow from / (used in) in financing activities (C)</b>	<b>(5,941.87)</b>	<b>(2,157.84)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>140.26</b>	<b>(301.15)</b>
Opening balance of cash and cash equivalents	137.18	438.33
Closing balance of cash and cash equivalents	277.44	137.18

As per our report of even date

For Agarwal Tibrewal & Co.  
Firm Registration No.: 328977E  
Chartered Accountants

CA Amit Agarwal  
Partner  
Membership No. 303411

Place: Kolkata  
Date: 16.07.2019

For & on behalf of the Board

Sunil Bansal  
Chairman & Managing Director  
DIN - 00297336

Subhash Kumar Saraf  
CFO & Executive Director  
DIN - 02357354

Sanjay Kumar Gupta  
Company Secretary  
FCS - 6923

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## Corporate information

Utkarsh India Limited (Formerly Utkarsh Tubes & Pipes Limited) ("the Company") is a public limited Company domiciled in India and incorporated on 05.04.1995 under the provisions of Companies Act, 1956. The Company is engaged in the manufacturing and selling of Black /G.I. Pipes, Poles, Towers, Metal Beam Crash Barrier, M.S.Wire being its Engineering Products segment and CPVC, UPVC, PVC, SWR Pipes & Fittings, HDPE Pipes being its Polymer segment. The manufacturing units are located at Jangalpur (Howrah) & Gurap (Hooghly) and the Company is selling its product on pan India basis and export to many foreign countries. The Company is also engaged in erection and installation of its product in few cases. The name of the Company has been changed to Utkarsh India Limited w.e.f 03.04.2017.

## 1. Significant accounting policies

### 1.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply with all material aspects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with rules 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of Companies Act, 2013 to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year and changes in accounting policies are separately disclosed.

### 1.2 Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements, actual results could differ from these estimates.

### 1.3 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition / construction amounts (Net of GST credit, where ever applicable) less accumulated depreciation amortization and impairment losses except freehold land which is carried at cost. Cost comprises the purchase price, installation and any attributable cost (including borrowing cost, if any) for making the assets ready for its intended use.

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and considering the useful lives for computing depreciation specified in part "C" thereof.

Useful lives and residual amounts are reviewed annually.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of ready to use, and in the case of new project the same is provided on pro-rata basis from the date of commencement of commercial production.

Depreciation on assets sold, discarded, demolished or scrapped, is provided up to the date on which the said asset is sold, discarded or scrapped.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Leasehold lands are amortized as per lease agreements.

### 1.4 Capital work-in-progress

Capital work in progress is carried at cost comprising direct cost and preoperative expenditure during construction period to be allocated to the fixed assets on the completion of construction.

### 1.5 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The depreciable amount of intangible assets is allocated over its estimated useful life. Expenditure on purchased software and IT related expenses are written off over a period of three years.

### 1.6 Investments

Current Investments are stated at lower of cost and market/fair value. Long term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 1.7 Inventories

- a. Raw materials are valued at cost or net realizable value whichever is lower. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes the purchase price as well as incidental expenses. The cost in this respect is determined on FIFO basis.
- b. Finished goods, Semi finished are valued at average cost, or on net realizable value whichever is lower. Cost for this purpose includes direct materials, direct labour and appropriate portion of overhead for bringing the inventory to its present location and conditions.
- c. Scraps / rejections are valued at net realizable value.
- d. Stores and spares are valued at cost or net realizable value whichever is lower on FIFO basis. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

## 1.8 Cash & Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

## 1.9 Provision for contingent liabilities and contingent assets

Provisions are recognized in respect of present obligations arising out of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Contingent liabilities are the possible obligations of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of future events. These are not provided for and are shown by way of notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

## 1.10 Revenue recognition

Revenue is recognized when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts and rebates. Export sales are recognized on the date of cargo receipts bill of lading or other relevant documents in accordance with the terms and conditions for sales.

Income from services is recognized as the services are rendered to the parties.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

Dividend income is recognized when the right to receive the dividend is established.

## 1.11 Government grants

Government grants/ subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the Profit and Loss Account either as income or deducted from related expenses.

## 1.12 Employee benefits

### i) Defined contribution plan

The Company makes contribution towards Provident Fund and Employees State Insurance scheme under a defined contribution retirement benefit plan for qualifying employees. Under the said scheme the Company is required to contribute a specific percentage of pay roll costs in respect of eligible employees. The contribution is recognized during the period in which the employee renders service.

### ii) Defined benefit plan

The Company makes annual contribution of Gratuity to LIC Gratuity Fund, a scheme created for the purpose for qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service. The cost of providing benefit is determined using projected unit credit method with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognized in full during the period in which they occur.

### iii) Short term employees benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee are recognized during the period when the employee renders the service. This benefit includes salary, wages, and bonus and leave encashment.

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## 1.13 Foreign exchange transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract, is recognized as exchange difference and the premium paid on the forward contracts is recognized over the life of the contract. Exchange differences arising on settlement /restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss.

## 1.14 Taxation

Provision for tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax law that have been enacted or substantially enacted as on the balance sheet date.

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

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the carrying amount of MAT at each reporting date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 1.15 Impairment of assets

In accordance with AS-28 on "Impairment of Assets", where there is an indication of an impairment of the Company's assets related to cash generating units, the carrying amount of such assets are reviewed at each Balance Sheet to determine whether there is any impairment. The recoverable amount of such assets is estimated on the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment Loss is recognized in Profit & Loss Account.

## 1.16 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

## 1.17 Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including attributable interest and financing costs, prior to commencement of commercial production/completion of projects are capitalized.

## 1.18 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.1 - Share Capital

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Authorised</b>		
2,00,00,000 (P.Y. 2,00,00,000) Equity shares of ₹ 10/- each	2,000.00	2,000.00
<b>Issued, subscribed &amp; paid-up</b>		
1,78,70,500 (P.Y. 1,78,70,500) Equity shares of ₹ 10/- each fully paid up	1,787.05	1,787.05
	1,787.05	1,787.05

### a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### b) Reconciliation of No. of shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2019	As at 31.03.2018
Equity shares	No. of shares	No. of shares
At the beginning of the year	1,78,70,500	1,78,70,500
Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>1,78,70,500</b>	<b>1,78,70,500</b>

### c) Details of Shareholders holding more than 5% of equity shares in the Company

	As at 31.03.2019	As at 31.03.2018
Equity shares	No. of Shares (% holding)	No. of Shares (% holding)
Sunil Bansal	23,84,825(13.35%)	23,24,825(13.01%)
Dover Tie-Up Private Limited	17,82,000(9.97%)	17,82,000(9.97%)
Precot Dealcomm Private Limited	17,01,000(9.52%)	17,01,000(9.52%)
Majestic Barter Private Limited	16,00,000(8.95%)	16,00,000(8.95%)
Wise Dealcom Private Limited	15,09,000(8.44%)	15,09,000(8.44%)
Bansal Poles Limited	14,75,000(8.25%)	14,75,000(8.25%)
Utkarsh Bansal	11,28,175(6.31%)	10,96,175(6.13%)
Yamunotry Vyapaar Private Limited	9,10,000(5.09%)	9,10,000(5.09%)

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

## 2.2 - Reserves & surplus

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>General reserve</b>		
Balance as per last account	1441.29	1,191.29
Addition during the year	450.00	250.00
Closing balance	1891.29	1,441.29
<b>Securities premium reserve</b>		
Balance as per the last financial statement	5,052.30	5,052.30
Addition during the year	-	-
Closing balance	5,052.30	5,052.30
<b>Amalgamation reserve</b>		
As per last account	614.21	614.21
	614.21	614.21



# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## 2.2 - Reserves & surplus (contd.)

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Surplus as per Statement of Profit and Loss</b>		
Balance as per the last financial statements	6,117.98	5,089.65
Profit for the year	2,312.88	1,287.75
	<b>8,430.86</b>	<b>6,377.40</b>
<b>Less : Appropriation</b>		
Adjustment relating to income tax paid on IDS'2016	-	9.42
Transferred to general reserve	450.00	250.00
Net Surplus in the Statement of Profit and Loss	<b>7,980.86</b>	<b>6,117.98</b>
	<b>15,538.66</b>	<b>13,225.78</b>

## 2.3 - Long term borrowings

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Term loans</b>		
Rupee loan from banks (secured)	4,476.03	5,510.29
Rupee loan from a body corporate (secured)	422.19	633.15
<b>Loans and advances (unsecured)</b>		
From body corporates	4,669.38	2,438.00
From related party	80.00	-
From others	25.00	-
<b>Hire purchase finance</b>		
From banks (secured)	226.39	206.76
	<b>9,898.99</b>	<b>8,788.20</b>
Less: Current maturities of long term borrowings	1,606.78	1,643.02
	<b>8,292.21</b>	<b>7,145.18</b>

- Rupee term loan of ₹ 100.77 lakh from a bank is repayable in further 2 equal quarterly installments ending September 2019.
- Rupee term loan of ₹ 484.05 lakh from a bank is repayable in further 12 equal quarterly installments ending March 2022.
- Rupee term loan of ₹ 945.55 lakh from a bank is repayable in 10 equal quarterly installments ending September 2021.
- Rupee term loan of ₹ 2,087.01 lakh from a bank is repayable in further 14 equal quarterly installments ending September 2022.
- Rupee term loan of ₹ 422.19 lakh from a body corporate is repayable in 8 equal quarterly installments ending March 2021.
- Rupee term loans of ₹ 3,617.38 lakh from banks & ₹ 422.19 lakh from a body corporate are secured by pari passu first charge on fixed assets of the Company situated at Jalan Industrial Complex, Village - Jangalpur, P.S. - Andul Mouri, Dist - Howrah, W.B. & at N.H.-2, Durgapur Express Way, P.O./P.S. Gurap, Dist - Hooghly, W.B. (excluding assets acquired on H.P basis) and by pari passu second charge on stocks, book debts & other current assets of the company.
- Rupee term loan of ₹ 518.23 lakh from a bank is repayable in 83 equal monthly installments ending February 2026 and is secured by first charge on the immovable property situated at "Arrjavv Square, 4th Floor, 95A, Elliot Road, Kolkata - 700016".
- Rupee term loan of ₹ 225.42 lakh from a bank is repayable in 77 equal monthly installments ending August 2025 and is secured by first charge on the immovable property situated at "Arrjavv Square, 2nd Floor, 95A, Elliot Road, Kolkata - 700016".
- Rupee term loan of ₹ 115.00 lakh from a bank is repayable in 120 equal monthly installments ending April 2029 and is secured by first charge on the immovable property situated at "Arrjavv Square, 4th Floor, 95A, Elliot Road, Kolkata - 700016".
- Rupee term loans are also secured by personal guarantee of a director of the Company.
- Hire purchase finance from banks is secured against hypothecation of vehicles and is repayable within three to four years having varying dates of payment.
- The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.4 - Deferred tax liability

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Deferred tax liabilities :</b>		
On account of depreciation	1,809.81	1,685.26
	<b>1,809.81</b>	<b>1,685.26</b>

## 2.5 - Other non current liabilities

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
Security deposit	1.00	1.00
	<b>1.00</b>	<b>1.00</b>

## 2.6 - Short term borrowings

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Working capital facilities from banks (secured)</b>		
- Cash credit	12,433.92	14,247.42
- PCFC	846.80	1,461.02
	<b>13,280.72</b>	<b>15,708.44</b>

Working Capital facilities from banks are secured by pari passu first charge on stocks, book debts and other current assets of the company and pari passu second charge on fixed assets of the company situated at Jalan Industrial Complex, Village - Jangalpur, P.S. - Andul Mouri, Dist - Howrah, W.B. and at N.H.-2, Durgapur Express Way, P.O. & P.S. Gurap, Dist - Hooghly, W.B. (excluding assets acquired on H.P. basis). Further the same has been guaranteed by a director of the Company and is repayable on demand.

## 2.7 - Trade payables

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
Micro, small and medium enterprises*	-	-
Others	20,544.92	15,651.90
*Refer Note 2.37	<b>20,544.92</b>	<b>15,651.90</b>

## 2.8 - Other current liabilities

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
Current maturities of long-term borrowings	1,606.78	1,643.02
<b>Other payables</b>		
Statutory liabilities	193.97	69.23
Creditors for expenses	1,710.10	1,363.07
Sundry creditors for capital goods	108.96	14.16
Advance from customers	1,630.68	748.29
	<b>5,250.49</b>	<b>3,837.77</b>

## 2.9 - Short term provisions

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
Provision for taxation, net of advance tax	484.29	-
Provision for bonus	27.10	22.23
Provision for leave encashment	16.27	13.35
	<b>527.66</b>	<b>35.58</b>

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

(₹ in lakh)

Note	Description	Gross Block			Depreciation & Amortisation				Net Block		
		As at 01.04.2018	Additions	(Sales) / Adjustments	As at 31.03.2019	Upto 31.03.2018	For the Year	Sales / Adjustments	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
2.10 A	<b>Property, plant and equipment</b>										
	Freehold Land & Land Development	1,530.74	832.17	-	2,362.91	-	-	-	-	2,362.91	1,530.74
	Leasehold Land & Land Development	1,004.49	-	-	1,004.49	31.56	8.17	-	39.73	964.76	972.93
	Office Building	1,084.46	20.69	-	1,105.15	23.98	17.42	-	41.40	1,063.75	1,060.48
	Factory Shed & Building	5,526.14	663.37	-	6,189.51	744.52	180.36	-	924.88	5,264.63	4,781.62
	Approach / Internal Road	30.00	-	-	30.00	20.36	5.70	-	26.06	3.94	9.64
	Computer & Printer	121.13	13.22	-	134.35	87.64	12.64	-	100.28	34.07	33.49
	Electrical Installation	498.83	34.86	-	533.69	241.28	40.48	-	281.76	251.93	257.55
	Plant & Machinery	10,133.06	1,177.83	-	11,310.89	3,669.93	755.88	-	4,425.81	6,885.08	6,463.13
	Furniture & Fixture	200.06	15.64	-	215.70	62.86	15.81	-	78.67	137.03	137.20
	Office Equipment	123.24	11.96	-	135.20	61.88	17.21	-	79.09	56.11	61.36
	Vehicles	569.21	105.81	(7.50)	667.52	171.61	70.62	(6.86)	235.37	432.15	397.60
	<b>Sub Total (A)</b>	<b>20,821.36</b>	<b>2,875.55</b>	<b>(7.50)</b>	<b>23,689.41</b>	<b>5,115.62</b>	<b>1,124.29</b>	<b>(6.86)</b>	<b>6,233.05</b>	<b>17,456.36</b>	<b>15,705.74</b>
2.10 B	<b>Intangible Assets</b>										
	Computer Software	97.88	-	-	97.88	67.25	14.91	-	82.16	15.72	30.63
	<b>Sub Total (B)</b>	<b>97.88</b>	<b>-</b>	<b>-</b>	<b>97.88</b>	<b>67.25</b>	<b>14.91</b>	<b>-</b>	<b>82.16</b>	<b>15.72</b>	<b>30.63</b>
	<b>Total All Assets (A+B)</b>	<b>20,919.24</b>	<b>2,875.55</b>	<b>(7.50)</b>	<b>23,787.29</b>	<b>5,182.87</b>	<b>1,139.20</b>	<b>(6.86)</b>	<b>6,315.21</b>	<b>17,472.08</b>	<b>15,736.37</b>
	Previous Year	18,809.74	2,228.94	(119.44)	20,919.24	4,281.31	1,010.44	(108.88)	5,182.87	15,736.37	14,528.43
2.10 C	<b>Capital Work in Progress</b>									569.19	291.60

## 2.11 - Non current investment

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Long term investment (at cost)</b>		
Other than trade		
Investment in mutual fund*		
- Baroda Pioneer Banking and Financial Services Fund - Dividend (Quoted fully paid up face value ₹ 10 each for units 99,985)	10.00	10.00
Bullions	47.89	47.89
* Market value as on 31.03.2019 ₹15,82,763/- (P.Y. ₹ 15,25,771/-)	57.89	57.89

## 2.12 - Long term loans and advances

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Capital advances</b>		
Unsecured, considered good	91.22	181.75
<b>Security deposits</b>		
Unsecured, considered good	74.27	97.30
Advance income tax incl MAT credit entitlement (Net of provision)	-	66.99
	<b>165.49</b>	<b>346.04</b>

# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.13 - Inventories

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
Raw materials	8,550.67	9,261.80
Work-in-progress	4,351.00	2,839.84
Finished goods	10,977.22	8,771.90
Consumable, stores & spares parts	848.58	869.05
	<b>24,727.47</b>	<b>21,742.59</b>

## 2.14 - Trade receivables

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, considered good</b>		
Over six months	1,036.99	1,020.27
Other debts	18,538.05	15,995.09
	<b>19,575.04</b>	<b>17,015.36</b>

## 2.15 - Cash & cash equivalents

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
Cash on hand	5.41	7.28
<b>Balances with banks:</b>		
In Current accounts	272.03	129.90
<b>Other bank balances</b>		
In Margin money with maturity more than 3 months but less than 12 months	1,706.91	1,165.11
	<b>1,984.35</b>	<b>1,302.29</b>

## 2.16 - Short term loans and advances

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, considered good</b>		
Advances to suppliers	369.25	296.58
Balances with / receivables from Government authorities	1,423.32	1,701.15
Deposits	470.78	394.75
Others	217.66	193.34
	<b>2,481.01</b>	<b>2,585.82</b>

## 2.17 - Revenue from operations

(₹ in lakh)

	2018-19	2017-18
Sale of products (net of returns)	1,12,018.25	82,661.22
Income from services	134.74	337.10
Other operating revenue *	3,000.94	2,237.33
	<b>1,15,153.93</b>	<b>85,235.65</b>

\* includes Scrap sale of ₹ 2,702.21 lakh (P.Y. ₹ 2,002.99 lakh)

Details of sale of products		
<b>Finished goods</b>		
Engineering products	1,00,336.70	73,936.68
Polymer products	11,681.55	8,724.54
	<b>1,12,018.25</b>	<b>82,661.22</b>

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## 2.18 - Other income

(₹ in lakh)

	2018-19	2017-18
Interest	262.88	188.42
Miscellaneous income	23.80	20.98
	<b>286.68</b>	<b>209.40</b>

## 2.19 - Cost of materials consumed

(₹ in lakh)

	2018-19	2017-18
Inventory at the beginning of the year	9,261.80	6,462.37
Add: Purchases	91,498.10	68,482.27
	<b>1,00,759.90</b>	<b>74,944.64</b>
Less: Inventory at the close of the year	8,550.67	9,261.80
	<b>92,209.23</b>	<b>65,682.84</b>

## 2.20 - Changes in inventories of finished goods and work-in-progress

(₹ in lakh)

	2018-19	2017-18
<b>Closing stock</b>		
Work-in-progress	4,351.00	2,839.84
Finished goods	10,977.22	8,771.90
	<b>15,328.22</b>	<b>11,611.74</b>
<b>Opening stock</b>		
Work-in-progress	2,839.84	1,949.91
Finished goods	8,771.90	7,949.71
	<b>11,611.74</b>	<b>9,899.62</b>
	<b>(3,716.48)</b>	<b>(1,712.12)</b>

## 2.21 - Employee benefits expenses

(₹ in lakh)

	2018-19	2017-18
Directors remuneration	286.86	259.38
Salaries and wages	1,733.80	1,317.34
Contribution to provident and other funds	79.26	67.80
Staff welfare expenses	60.50	63.61
	<b>2,160.42</b>	<b>1,708.13</b>

## 2.22 - Finance cost

(₹ in lakh)

	2018-19	2017-18
Interest expenses		
- On fixed loans	579.78	704.07
- Others	3,776.34	2,824.05
Other borrowing cost	305.06	263.45
	<b>4,661.18</b>	<b>3,791.57</b>



# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.23 - Other expenses

(₹ in lakh)

	2018-19	2017-18
<b>Manufacturing &amp; operating expenses</b>		
Consumption of stores & spares	4,443.96	3,224.20
Power & fuel	1,476.03	1,217.61
Carriage inward	657.90	501.95
Insurance charges	30.43	41.55
Labour charges	2,331.44	1,222.56
Loading & unloading Charges	130.43	54.03
Rates & taxes	27.88	56.79
Handling charges	1,146.21	1,084.14
Repairs & maintenance		
- Building	53.41	37.57
- Plant & machinery	50.64	49.84
- Others	89.18	76.69
Security charges	262.01	218.63
Other manufacturing / operating expenses	79.82	59.87
	10,779.34	7,845.43
<b>Administrative, selling &amp; other expenses</b>		
Advertisement	190.12	134.84
Brokerage & commission	146.62	92.17
Carriage outward	2,313.72	1,068.62
Clearing & forwarding charges	180.11	272.73
Consultancy charges	50.17	45.66
Legal & professional fees	276.32	157.28
Ocean freight	282.88	354.70
Postage, telegram & telephone	28.78	31.16
Travelling & conveyance	423.75	453.51
Sundry balances written off	49.00	48.93
Turnover discount	263.00	197.94
Sales promotion	187.63	128.72
Printing & stationery	23.05	27.69
Payment to auditors	4.05	5.55
Rent	109.66	73.06
Miscellaneous expenses	144.64	130.62
	4,673.50	3,223.18
	15,452.84	11,068.61

## 2.24 - Exceptional items

(₹ in lakh)

	2018-19	2017-18
Loss / (gain) on foreign exchange fluctuation	(106.04)	8.97
Loss / (profit) on sale of fixed assets	(1.16)	(8.68)
	(107.20)	0.29

## 2.25

(₹ in lakh)

	As at 31.03.2019	As at 31.03.2018
1. Contingent liabilities not provided in respect of:		
a) Bills discounted by banks	2,788.51	1,661.42
b) Claims against the Company not acknowledged as debt:		
Disputed taxes/duties	2,249.86	1,802.21
2. Fixed deposit receipts pledged with banks	1,706.91	1,165.11

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## 2.25 (contd.)

(₹ in lakh)

	2018-19	2017-18
3. FOB value of exports	6,305.04	5,875.86
4. Directors' remuneration including perquisites	314.36	281.56

5. Balances of sundry debtors, sundry creditors and other assets/liabilities are subject to confirmation / reconciliation and consequential adjustments, if any, arising there from. Accordingly, the year end shortfall or otherwise, if any, as may pertain to these balances, are presently not ascertainable.

**2.26** In compliance with the Accounting Standard – AS 22 "Accounting for Taxes of Income", the Company has recognized to the Profit & Loss Account the Deferred Tax (Assets) / Liabilities for current year ended 31.03.2019.

The breakup of deferred tax liabilities are as given below:

(₹ in lakh)

Particulars	Opening	During the year	Closing
<b>Deferred tax liabilities :</b>			
On account of depreciation	1,685.26	124.55	1,809.81
	<b>1,685.26</b>	<b>124.55</b>	<b>1,809.81</b>

**2.27** In the opinion of the management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

## 2.28 Payment to auditors

(₹ in lakh)

Particulars	31-03-2019	31-03-2018
<b>As auditor</b>		
-Statutory audit fees	3.00	3.00
-Tax audit fees	1.00	1.00
<b>In other capacity</b>		
Certification fees	0.05	1.20
Reimbursement of expenses	-	0.35
<b>Total</b>	<b>4.05</b>	<b>5.55</b>

**2.29** As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

A CSR Committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is ₹ 29.14 lakh (P.Y. ₹ 21.62 lakh)

b) Amount spent during the year on:

(₹ in lakh)

Particulars	2018-19	2017-18
Promotion of education	10.00	26.00
Making available safe drinking water	-	0.20
Promoting medical facilities	2.50	12.00
Eradicating extreme hunger, poverty and malnutrition	8.73	2.00
Animal welfare	4.15	0.75
Development of art and culture	1.25	1.25
Training to promote rural sports, nationally recognized sports etc.	1.00	-
Promoting health care including preventive health care	1.65	-
<b>Total</b>	<b>29.28</b>	<b>42.20</b>

# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.30 Segment information for the year ended 31.03.2019

### A. Primary segments (business segment)

(₹ in lakh)

Sl No	Particulars	2018-19				2017-18			
		Engineering products	Polymer products	Un-allocated	Total	Engineering products	Polymer products	Un-allocated	Total
1	External revenue	1,00,336.70	11,681.55	-	1,12,018.25	73,936.68	8,724.54	-	82,661.22
	Inter segment adjustment	-	-	-	-	-	-	-	-
	<b>Total revenue</b>	<b>1,00,336.70</b>	<b>11,681.55</b>	<b>-</b>	<b>1,12,018.25</b>	<b>73,936.68</b>	<b>8,724.54</b>	<b>-</b>	<b>82,661.22</b>
2	Results profit/ (loss)	6,342.02	1,586.50	-	7,932.52	4,230.40	1,410.13	-	5,640.53
3	Interest & finance charges (Net)	-	-	-	4,398.30	-	-	-	3,603.15
4	Other un-allocable expenses net of un-allocable income	-	-	612.40	612.40	-	-	500.01	500.01
5	Total profit before tax before exceptional item	-	-	-	3,534.22	-	-	-	2,037.38
6	Exceptional item	-	-	-	(107.20)	-	-	-	0.29
7	Total profit before tax	-	-	-	3,641.42	-	-	-	2,037.09
8	Other information								
	- Segment assets	52,370.20	9,973.58	4,688.74	67,032.52	45,215.10	9,570.82	4,292.04	59,077.96
	- Segment liabilities	27,126.64	3,317.27	17,453.09	47,897.00	21,059.93	3,380.17	17,940.77	42,380.87
	- Capital expenditure	2,865.58	287.56	-	3,153.14	2,268.09	-	-	2,268.09
	- Depreciation	784.19	355.01	-	1,139.20	773.68	236.76	-	1,010.44

### B. Secondary segment (geographical segment):

There are no items to be reported under geographical segment, considered as secondary segment, as overseas customers do not constitute a reportable segment as per Accounting Standards (AS) 17 "Segment Reporting".

### C. Other disclosures

There are no inter-segment revenues.

The Engineering Products segment includes Steel Pipes, Steel Poles & Steel Structures etc.

The Polymer Products segment includes uPVC, cPVC, SWR Pipes & Fittings, HDPE Pipes etc.

## 2.31 Related parties disclosure as identified by the management in accordance with the Accounting Standard -18 on "Related Party Disclosures" is as follows:

### a) List of related parties

#### Associates

Bansal Poles Limited

Utkarsh Metal Industries Private Limited

Madhuvan Vinimay Private Limited

#### Key management personnel

Mr. Sunil Bansal - Chairman & Managing Director

Mrs. Shreya Bansal - Director

Mr. Utkarsh Bansal - Director (Business Strategies)

Mr. Subhash Kumar Saraf - CFO & Executive Director

Mr. Dilip Kumar Pratiher - Director (Technical)

Mr. Harvinder Singh Sandhu - Director (Business Development)

Mr. Sanjay Kumar Gupta- Company Secretary

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## 2.31 Related parties disclosure as identified by the management in accordance with the Accounting Standard -18 on "Related Party Disclosures" is as follows: (contd.)

### b) Transaction with related parties:

Parties with whom the Company has entered into transactions during the year where control or significant influence exists

(₹ in lakh)

	2018-19	2017-18
<b>Rent paid</b>		
Bansal Poles Limited	60.00	43.00
Utkarsh Metal Industries Private Limited	3.24	1.08
Madhuvan Vinimay Private Limited	3.00	1.00
<b>Total</b>	<b>66.24</b>	<b>45.08</b>
<b>Advance given</b>		
Utkarsh Metal Industries Private Limited	48.47	0.05
<b>Total</b>	<b>48.47</b>	<b>0.05</b>
<b>Sale of finished materials / goods</b>		
Bansal Poles Limited	27.32	-
Utkarsh Metal Industries Private Limited	-	29.52
<b>Total</b>	<b>27.32</b>	<b>29.52</b>
<b>Security deposits paid</b>		
Utkarsh Metal Industries Private Limited	-	21.57
Bansal Poles Limited	6.00	40.07
Madhuvan Vinimay Private Limited	-	57.39
<b>Total</b>	<b>6.00</b>	<b>119.03</b>
<b>Remuneration to key managerial personnel</b>		
Mr. Sunil Bansal	180.00	159.00
Mr. Utkarsh Bansal	60.00	60.00
Mr. Dilip Kumar Pratiher	27.50	22.18
Mr. Subhash Kumar Saraf	24.00	20.63
Mr. Harvinder Singh Sandhu	22.86	19.75
<b>Total</b>	<b>314.36</b>	<b>281.56</b>
<b>Sitting fees</b>		
Mr. Prithviraj Basu	4.13	4.13
<b>Total</b>	<b>4.13</b>	<b>4.13</b>
<b>Unsecured loan taken</b>		
Mr. Sunil Bansal	80.00	-
<b>Total</b>	<b>80.00</b>	<b>-</b>
<b>Closing balance of related party:</b>		
Mr. Sunil Bansal	80.00	-
Bansal Poles Limited	242.19	252.58
Utkarsh Metal Industries Private Limited	70.28	51.14
Madhuvan Vinimay Private Limited	57.17	57.39
<b>Total</b>	<b>449.64</b>	<b>361.11</b>

## 2.32 Earnings per share (EPS)

(₹ in lakh)

	2018-19	2017-18
Net profit after tax	2,312.88	1,287.75
Weighted average no. of equity shares of ₹10/- each outstanding during the year	1,78,70,500	1,78,70,500
Basic / diluted earnings per share (₹)	12.94	7.21

# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.33 Value of imports (CIF)

(₹ in lakh)

	2018-19	2017-18
Raw materials	4,882.42	5,651.88
Capital goods	-	14.42
Stores & spares	49.48	7.80
<b>Total</b>	<b>4,931.90</b>	<b>5,674.10</b>

## 2.34 Expenditures in foreign currency

(₹ in lakh)

	2018-19	2017-18
Travelling expenses	27.64	9.39
Interest on PCFC	20.68	26.52
Commission	0.84	9.15
Exhibition expenses	5.05	7.08
Repairs & maintenance	-	0.44
<b>Total</b>	<b>54.21</b>	<b>52.58</b>

## 2.35 Unhedged foreign currency exposure

(₹ in lakh)

	As at 31.03.2019		As at 31.03.2018	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
PCFC	\$12.31	846.80	\$17.19	1110.69
PCFC	€ 0.00	-	€ 4.39	350.33
Trade receivables	\$0.88	60.62	\$3.60	232.50
Trade receivables	€ 0.20	15.35	€ 5.16	411.95
Trade payable	\$7.55	525.00	\$10.60	693.50
<b>Total</b>		<b>1,447.77</b>		<b>2,798.98</b>

## 2.36 Consumption of imported & indigenous raw materials, stores & loose tools and percentage of each to total consumption.

(₹ in lakh)

		%	2018-19	%	2017-18
Raw materials	Imported	5.75	5,302.13	8.50	5,580.29
	Indigenous	94.25	86,907.10	91.50	60,102.55
Stores & loose tools	Imported	1.11	49.48	0.24	7.80
	Indigenous	98.89	4,394.48	99.76	3,216.40

**2.37** The Company has not received information from vendors regarding their status under the micro, small and medium enterprises development Act, 2006 and, hence disclosure relating to amounts unpaid at the year end, interest paid / payable under this Act has not been given.

## 2.38 Disclosure pursuant to accounting standard (AS)-15 (revised) :

### a. Defined contribution plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due.

### b. Defined benefit plan

- The defined benefit plan comprise of gratuity. The plan is funded.
- Actuarial gains and losses in respect of defined benefit plans are recognised in the profit & loss A/c

# Notes to the Financial Statements

as at and for the year ended 31.03.2019

## 2.38 Disclosure pursuant to accounting standard (AS)-15 (revised) (contd.)

c. Assumption	As at 31.03.2019	As at 31.03.2018
Discount rate	7.50%	8.00%
Salary escalation	6.00%	6.00%
		(₹ in lakh)
d. Table showing changes in present value of obligation as on	As at 31.03.2019	As at 31.03.2018
Present value of obligations as at beginning of year	108.18	93.03
Interest cost	8.65	7.44
Current service cost	10.66	10.21
Benefits paid	(2.90)	(4.38)
Actuarial (gain)/ loss on obligations	(7.77)	1.88
Present value of obligations as at end of year	116.83	108.18
		(₹ in lakh)
e. Table showing changes in the fair value of plan assets as on	As at 31.03.2019	As at 31.03.2018
Fair value of plan assets at beginning of year	109.74	101.12
Expected return on plan assets	8.89	7.76
Contributions	9.07	5.24
Benefits paid	(2.90)	(4.38)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at the end of year	124.81	109.74
		(₹ in lakh)
f. Table showing fair value of plan assets	As at 31.03.2019	As at 31.03.2018
Fair value of plan assets at beginning of year	109.74	101.12
Actual return on plan assets	8.89	7.76
Contributions	9.07	5.24
Benefits paid	(2.90)	(4.38)
Fair value of plan assets at the end of year	124.81	109.74
Funded status - surplus/(deficit)	7.99	1.56
		(₹ in lakh)
g. Actuarial gain / loss recognized as on	As at 31.03.2019	As at 31.03.2018
Actuarial (gain) / loss on obligations	7.77	(1.88)
Actuarial (gain) / loss for the year-plan assets	-	-
Total (gain) / loss for the year	(7.77)	1.88
Actuarial (gain) / loss recognized in the year	(7.77)	1.88
		(₹ in lakh)
h. The amounts to be recognized in the B/S and statements of P/L	As at 31.03.2019	As at 31.03.2018
Present value of obligations as at the end of year	116.83	108.18
Fair value of plan assets as at the end of the year	124.81	109.74
Funded status	7.99	1.56
Net asset / (liability) recognized in balance sheet	7.99	1.56



# Notes to the Financial Statements as at and for the year ended 31.03.2019

## 2.38 Disclosure pursuant to accounting standard (AS)-15 (revised) (contd.)

(₹ in lakh)

i	As at 31.03.2019	As at 31.03.2018
Exp. Recognised to the extent covered by the policy in statement of P/L		
Current Service Cost	10.66	10.21
Interest Cost	8.65	7.44
Expected return on plan assets	(8.89)	(7.76)
Net Actuarial (gain) / loss recognized in the year	(7.77)	1.88
Expenses Recognised in statement of Profit and loss	2.65	11.77

- j. There is no material impact on the profit for the year / reserve & surplus consequent to the adoption of AS-15 (Revised 2005) on Employee Benefits.

**2.39** Based on information/documents available with the company there was no amount due and outstanding as on 31.03.2019 to be transferred to Education and Protection Fund under Section 125 of the Companies Act, 2013.

**2.40** In pursuance of "Accounting Standard 28-Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company reviewed its carrying cost of assets with value in use (determined based on future earnings) and based on such review, management is of the view that in the current financial year impairment of assets is not considered necessary.

**2.41** Figures have been rounded off to the nearest lakh, unless otherwise stated.

**2.42 Previous Year's figures** have been regrouped/rearranged wherever necessary, to make them comparable to current year's figures.

As per our report of even date

For **Agarwal Tibrewal & Co.**  
Firm Registration No.: 328977E  
Chartered Accountants

**CA Amit Agarwal**  
Partner  
Membership No. 303411

Place: Kolkata  
Date: 16.07.2019

**For & on behalf of the Board**

**Sunil Bansal**  
Chairman & Managing Director  
DIN - 00297336

**Subhash Kumar Saraf**  
CFO & Executive Director  
DIN - 02357354

**Sanjay Kumar Gupta**  
Company Secretary  
FCS - 6923









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