

BUILDING SCALE

FOR A STRONG FUTURE



FY 2018-19 KEY ACHIEVEMENTS

Financial

₹133.92 crores
Total revenue

₹17.31 crores
EBITDA

₹8.22 crores
Profit after tax

Operational

32,083 tonnes per annum
Total sales volume

89.79%
Capacity utilisation

23.56%
Increase in production on a y-o-y basis

WHAT'S INSIDE

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We are building a future-ready company on the back of expanded capacities, empowered teams, wider distribution network and advanced technology interventions. Quality remains our polestar; and this makes our products and processes more competitive. Despite short-term headwinds and industry challenges, our strong fundamentals, along with continued focus on premiumisation and customer-first approach will hold us in good stead in the coming years.

We are preparing a robust foundation, and we are confident to grow profitably and deliver on the expectations of all stakeholders.

PROGRESSING WITH SCALE

We belong to the esteemed Hariom Group, founded by Mr. Hariom Golas back in 1962. We embarked on our momentous journey in 2007, building scale and focusing on premiumisation of iron and steel products to build a stronger future for all those who have a stake in our progress.

Focusing on innovation and best-in-class technology, we have fortified our presence in the South Indian markets. We service our customers with a diverse portfolio of 200+ products, comprising mild steel billets, pipes and tubes, hot-rolled coils and scaffolding systems. Besides, we are accredited with ISO 9001:2015 and IS 2830:2012 certifications, demonstrating our compliance with stringent quality norms.



Vision

To be one of the top-notch iron and steel suppliers in our segment, catering to industry needs.



Mission

To develop our nation and make it a better place to live by building a robust economy coupled with strong infrastructure.

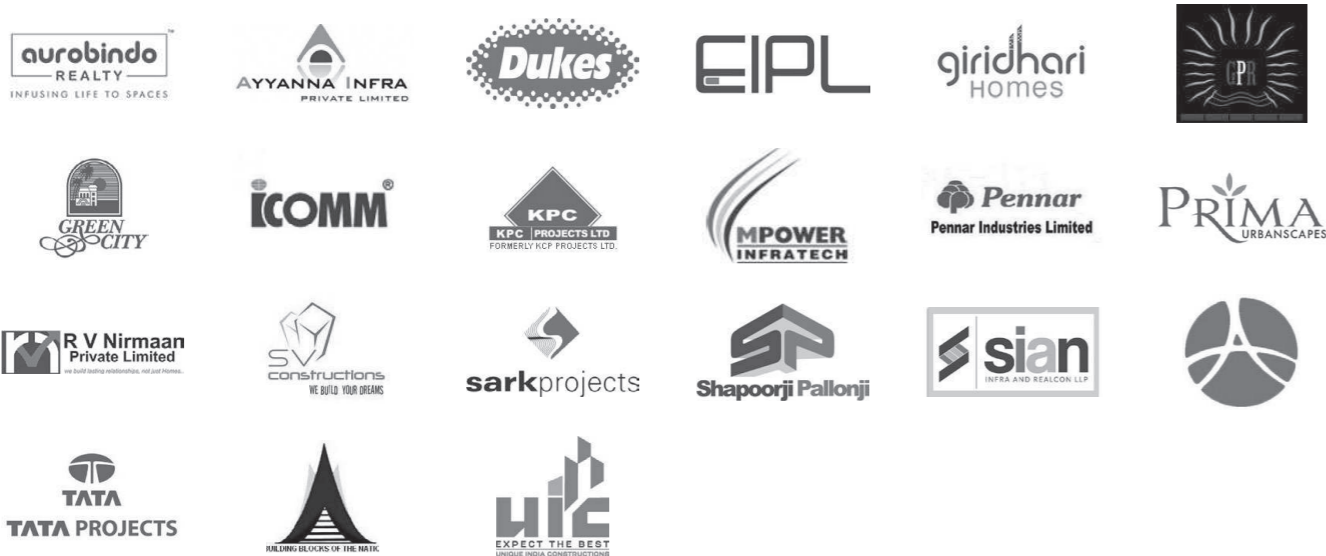
78,800_{MTPA*}
Total capacity

1,388
Distribution network size

373+
Team size

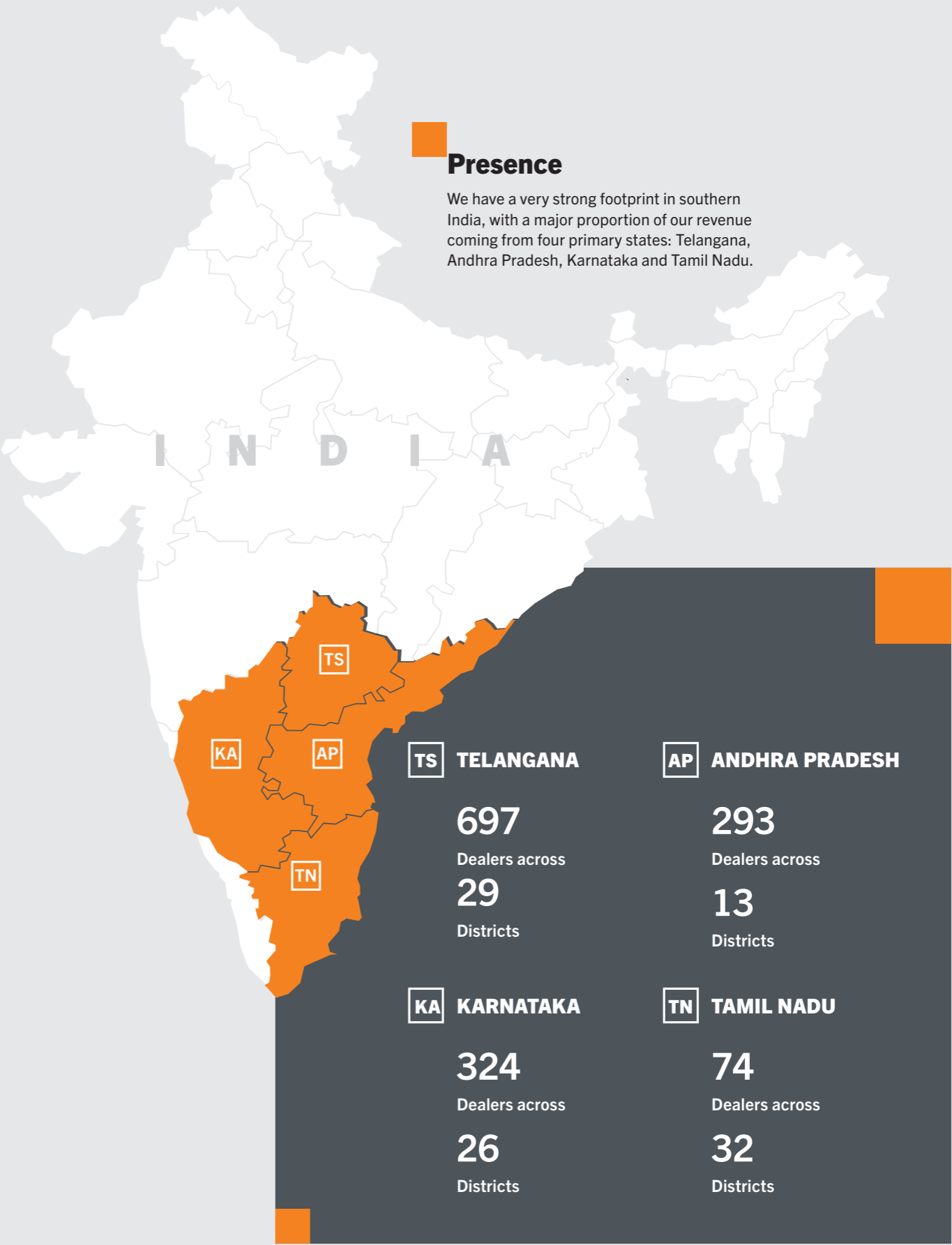
*MTPA - metric tonnes per annum

Clients who make us proud




Presence

We have a very strong footprint in southern India, with a major proportion of our revenue coming from four primary states: Telangana, Andhra Pradesh, Karnataka and Tamil Nadu.

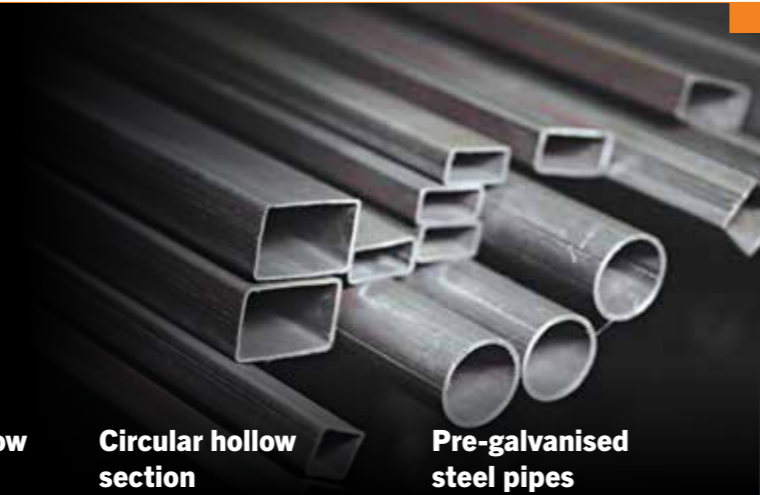


Product suite

We have a diversified product suite spanning five primary product categories:



MILD STEEL (MS) PIPES AND TUBES



We manufacture an array of quality steel pipes and tubes, which are round, square, D-shaped and rectangular in shape. The pipes manufactured by us have an outer diameter ranging between 19 mm and 127.5 mm and a thickness ranging between 1 mm and 3.5 mm.

Square hollow section

Manufactured using high-grade steel to lend it superior tensile strength, these pipes are available in various sizes ranging between 20x20 mm and 100x100 mm and thickness ranging between 2 mm and 4 mm.

- ▲ Cement industry
- ▲ Sewage treatment
- ▲ Petroleum refineries
- ▲ Electric power plants
- ▲ Textile industry
- ▲ Paper mills
- ▲ Chemical industry
- ▲ Food processing plants

Rectangular hollow section

A range of rectangular pipes and rectangular steel tubing with a size ranging between 40x20 mm and 122x61 mm and thickness ranging between 2 mm and 4 mm. The product range is best known for its durability.

- ▲ Furniture
- ▲ Motorcycles
- ▲ Bicycles
- ▲ Doors and windows
- ▲ Industrial plant structure
- ▲ Container fabrication
- ▲ Supermarket racks

Circular hollow section

Our specialty product is a range of customisable round steel pipes that are recognised for strength and corrosion-resistance. The standard pipes have a size ranging between 15 mm and 110 mm and the thickness ranging between 2 mm and 4.5 mm.

- ▲ Construction industry
- ▲ Sewage water lines
- ▲ Gas pipelines

Pre-galvanised steel pipes

Our suite of pre-galvanised steel pipes is acknowledged for its durability and customisable nature. These pipes are available with an outer diameter ranging between 12.5 mm and 203.2 mm, thickness ranging between 0.8 mm and 3 mm and a length ranging between 5.5 metres and 6 metres.

- ▲ Galvanised steel fencing
- ▲ Road and parking barriers
- ▲ Agriculture and irrigation
- ▲ Steel gates and windows
- ▲ Water pipelines
- ▲ Sewerage systems




HOT ROLLED (HR) SKELPS/COILS




Using cutting-edge technology, we manufacture best-in-class HR skelps and coils of varied shapes and sizes, popular for their durability.

- ▲ Various industrial structural setups
- ▲ Industrial cable trays



MILD STEEL (MS) BILLETS



We produce a range of quality billets for our customers with various customisation options ranging from dimensions to specific requirements.

- ▲ Structural steel products like round bars and flat bars, among others
- ▲ Angles, channels and grinders
- ▲ Rolling of TMT rebars of Fe415 and Fe500 grades




SCAFFOLDING SYSTEMS

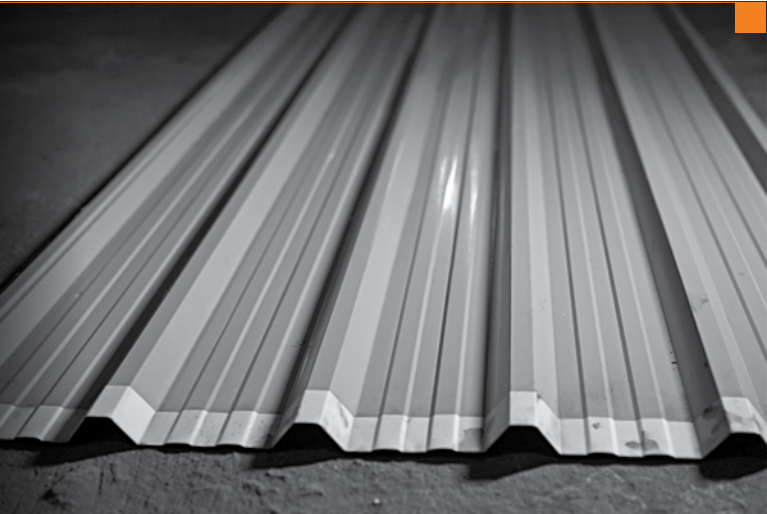


These are a range of temporary work platforms used at a construction site to conduct construction activities above the ground level, which are customised as per customer requirements.

- ▲ Construction industry
- ▲ Industrial structures
- ▲ Slab casting
- ▲ Maintenance work for plants, machinery and buildings



ROOFING SHEETS



Using quality materials coupled with cutting-edge technology, we produce a range of customised roofing sheets with a range of geometric designs, best known for their durability and corrosion-resistance.

- ▲ Wall panels
- ▲ Industrial sheds
- ▲ Construction industry

BUILDING A STRONGER FUTURE TOGETHER

Dear Stakeowners,

It gives me immense pleasure to present our 12th Annual Report for the fiscal 2018-19. This year saw us expand our capacities as we had planned. We are further strengthening our capacity and sharpening our innovation focus to drive our topline and bottomline growth.

Despite a slowdown in the economy and challenges faced by the domestic steel sector following indiscriminate dumping by China, South Korea and Japan, we managed revenues of ₹133.92 crores during the year under review compared to ₹105.37 crores in 2017-18. We registered a growth of 27.09% y-o-y. We also recorded EBITDA margin of ₹17.31 crores in 2018-19 vis-à-vis 11.75% in 2017-18, recording a y-o-y growth of 1,175 bps. Further, we also recorded a profit after tax of ₹8.22 crores in the year under review compared to ₹6.48 crores in 2017-18, registering a y-o-y growth of 26.85%.

In the year under review, we strengthened the technology and improved the entire hot charging method, ensuring reduced burning loss of the liquid metal, lesser coal consumption and faster turnaround times*.

Scale matters

The capacity expansion entailed an overall capex of ₹32.79 crores, out of which ₹11.29 crores was sourced through internal accruals. To sustain the product quality that the Hariom brand is synonymous with, we have hired 5 professionals in the quality control team. Additionally, to cater to our customers better and to move the excess production seamlessly, we widened our network to 1388 dealers. These initiatives translated into a growing revenue trajectory during the year under review.

Pioneering zeal

Back in 2010-11, we pioneered strip hot charging method in India, wherein the billets from the continuous casting machine is directly sent to the rolling mill, which was earlier stored, cooled and again pre-heated before sending to the rolling mill. This process helped us save time, cut down costs and reduce the consumption of coal. The net cost saving from the process alone was 2.8%.

During the year under review, we strengthened the technology and improved the entire hot charging method, ensuring reduced burning loss of the mild steel billets, lesser coal consumption and faster turnaround times*. During 2018-19, we also introduced new shapes and sizes in the casting machine and focused on improved product quality.

Optimism at the core

The steel industry in the country is expected to grow on the back of the government's emphasis on construction and real estate. On the backdrop of these tailwinds, our optimism rests on our ability to service our customers with an array of premium and customised products.

On behalf of the Board of Directors, I thank our customers, employees, channel partners and communities for their continued trust and support. We will continue to grow by broadbasing our presence across South India; and building scale, driving efficiency, enhancing customer-centricity and nurturing a culture of excellence.

Regards,

Rupesh Kumar Gupta
Managing Director

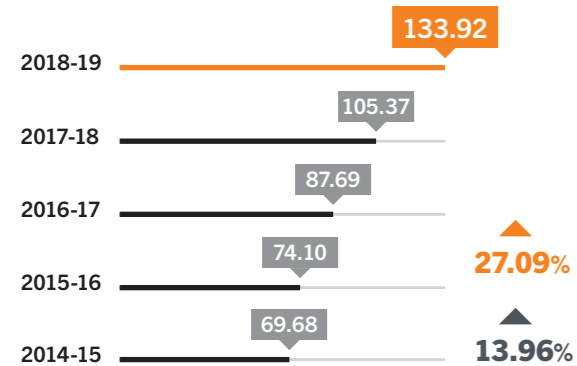
* faster than the industry average



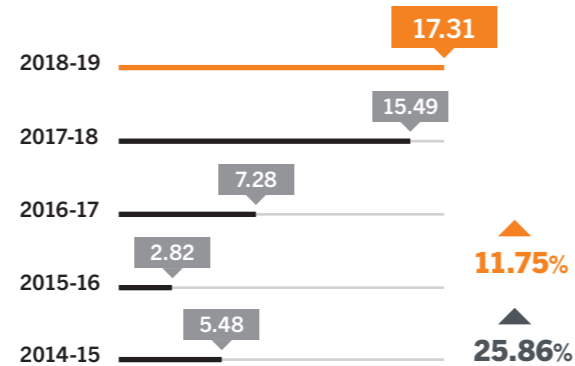
ENCOURAGING REPORT CARD

Profit and loss indicators

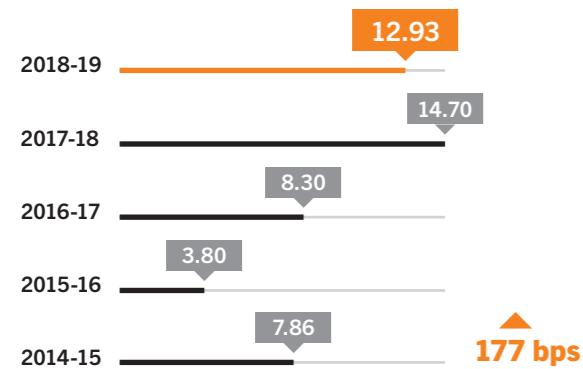
REVENUE (₹ in crores)



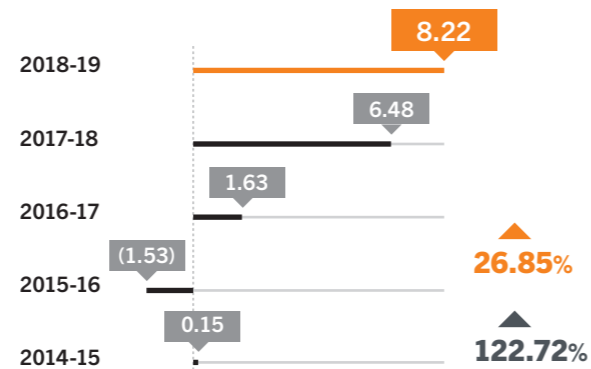
EBITDA (₹ in crores)



EBITDA MARGIN (in %)

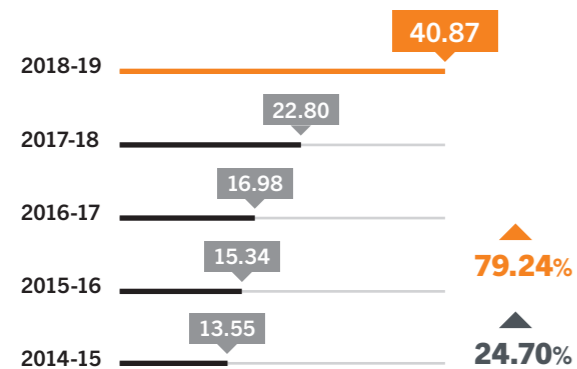


PROFIT AFTER TAX (₹ in crores)

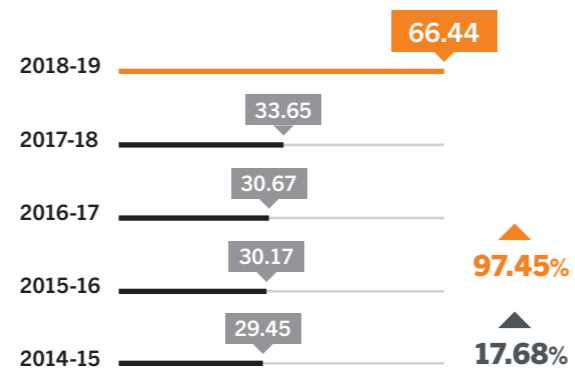


Balance sheet indicators

NET WORTH (₹ in crores)

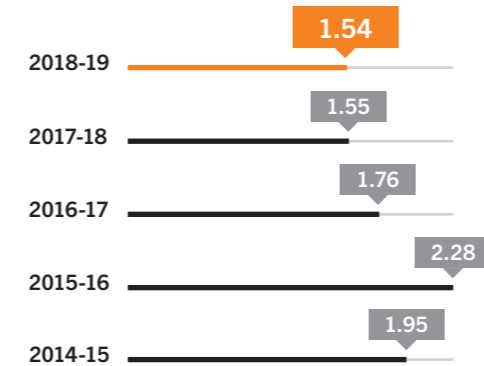


GROSS BLOCK (₹ in crores)

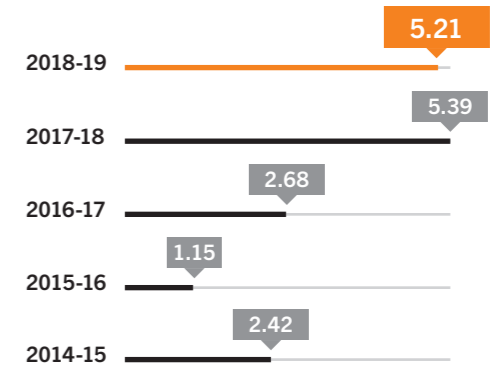


▲ y-o-y growth ▲ 5-year CAGR

DEBT-EQUITY RATIO

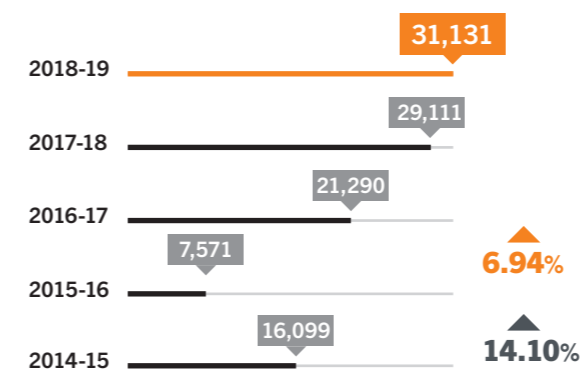


INTEREST COVERAGE RATIO

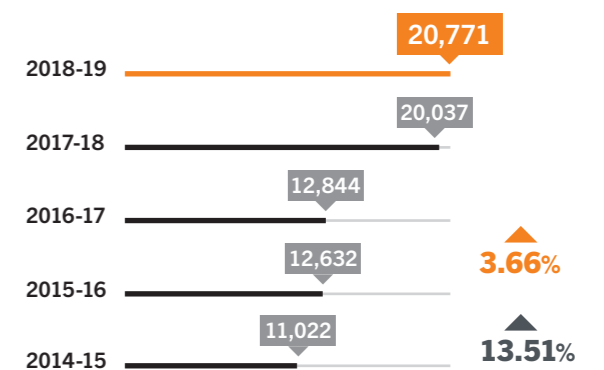


Operational indicators

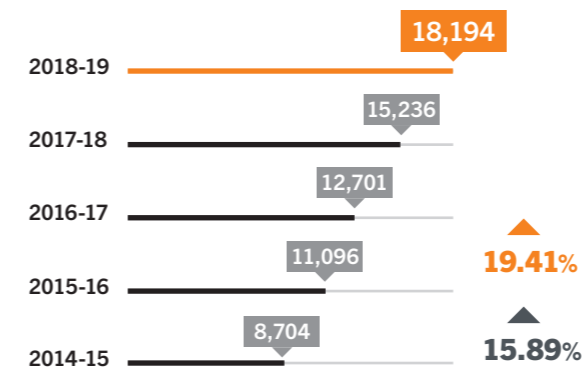
INDUCTION FURNACE PRODUCTION (in metric tonnes)



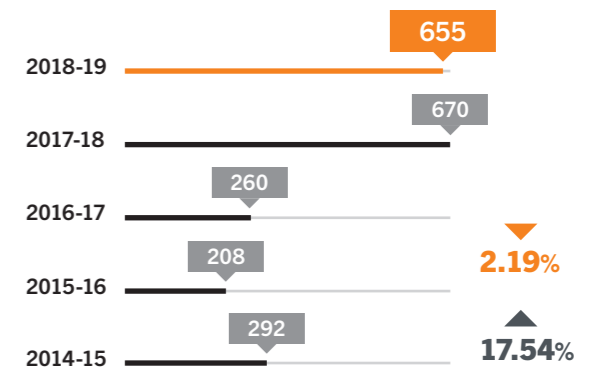
ROLLING MILL PRODUCTION (in metric tonnes)



PIPE MILL PRODUCTION (in metric tonnes)



SCAFFOLDING PRODUCTION (in metric tonnes)



RESPONDING TO EMERGING OPPORTUNITIES



Our operating environment continues to evolve, and we are making best use of the opportunities to grow organically and deliver on the expectations of our clients.



01.
IMPORT
SUBSTITUTION



02.
POLICY
SUPPORT



03.
BURGEONING REAL
ESTATE DEMAND



04.
PREMIUMISATION

What is the big picture?

- 01.** The Government of India is undertaking proactive measures to curb steel import such as the 'Make in India' initiative. The country is also in the process of introducing anti-dumping import duty on steel to protect its domestic steel industry and drive exports.
- 02.** The National Steel Policy would not only drive steel capacity but also consumption across the country.
- 03.** Backed by the government's initiatives such as PMAY, RERA and budgetary allocations, the demand for both residential and commercial real estate has gained traction, thus driving the downstream steel demand.
- 04.** Increasing urbanisation and rising disposable incomes have altered the lifestyle choices of the people in India and has led to the preference of premium steel products, especially in metro cities.

~160_{kg}

Per capita steel consumption
by 2029-30

~48,000_{crores}

Budgetary provision for real
estate in 2018-19

(Read more on Pages 19 and 20)

How are we positioned?

- 01.** We scaled our production across three different product verticals to take advantage of the economies of scale and drive steel demand.
- 02.** We are increasing our production capacities in line with the vision of the National Steel Policy. Besides, our fully integrated plants help us scale our operations seamlessly.
- 03.** With growing scale and a strong footprint in the southern parts of the country, Hariom Pipes is not only positioned to grow its topline, but also improving the revenue contribution of real estate in the total revenue mix.
- 04.** We have positioned ourselves as a premium manufacturer of steel products. The positioning of our brand coupled with an experienced management team with sharper focus on quality helps us service our customers with an array of diverse and premium products.

WHAT NEEDS TO BE ADDRESSED WITH URGENCY

We have identified key priorities that will help accelerate our growth. Our strategies are backed by our strong culture of governance and robust risk-management framework.



Expanding footprint

Strengthening our presence in South India remains our critical focus area.

99.85%

Revenue contribution from South India

INITIATIVES

- Expanded our network to 1,388 dealers in 2018-19
- Increased the throughput per dealer during the year under review

ACHIEVEMENTS

- Reinforced presence in Tamil Nadu and Telangana
- Increased revenue contribution from Karnataka and Andhra Pradesh

Building scale and driving efficiency

We are focused on increasing our scale and improving efficiencies, which would, in turn, drive revenues and profitability.

2,356_{bps}

Increase in capacity utilisation (y-o-y)

INITIATIVES

- Increased our scale across three product verticals
- Invested proactively to initiate automation across the plant, resulting in improved efficiencies and decreased human interventions, aiding us to better control costs and turnaround times
- Undertook debottlenecking measures to streamline the process, increase efficiencies and reduce production costs

ACHIEVEMENTS

- Increased our billet capacity to 74,400 tonnes during the year
- Increased our rolling mill capacity to 84,000 tonnes
- Enhanced our piping mill capacity to 84,000 tonnes
- Increased production capacities by another 8.76% during the year under review by introducing automation in our processes

Enhancing customer centricity

Our aim is to understand and handhold our customers to realise their specific aspirations for the medium and long term.

90%

Revenue generated from repeat clients

INITIATIVES

- Reduced our turnaround time extensively and recorded better metrics than industry standards
- Organised dealers and distributor meets and focused on servicing our customers with quality products in lesser turnaround times
- Provided special handholding schemes like channel-financing, enhancing liquidity to aid the dealers and distributors

ACHIEVEMENTS

- Roped in 53 new clients in the year under review
- Increased the proportion of revenue generated from our customers with whom we have had an association for 5 years or more

Nurturing a culture of excellence

To ensure that the senior management is not caught up with the day-to-day activities and rather focuses on formulating long-term strategies.

20%

Increase in team size (y-o-y)

INITIATIVES

- Focused on creating a diverse workforce with talents from different sectors
- Grew team size to 373 in 2018-19
- Organised dedicated training sessions for both our corporate and plant employees
- Conducted health and safety training for our employees, especially our plant workers, which resulted in reduced injuries and ensured zero casualties in our plants

ACHIEVEMENTS

- Ensured gender diversity at the corporate office with ~15% female colleagues
- Registered 20% women representation in the senior management

WIDENING AND DEEPENING OUR SOCIETAL ROLE

As a part of our CSR initiatives, we focus on education, animal welfare and child healthcare. We are also progressively reducing our carbon footprint.

In line with the Companies Act, 2013, we framed our Corporate Social Responsibility (CSR) Policy, which is supervised by the CSR committee, with the objective of benefiting the weaker sections of the society. The CSR committee is one of the Board committees, which comprise the following members:

RUPESH KUMAR GUPTA
MANAGING DIRECTOR
Chairman

SAILESH GUPTA
WHOLETIME DIRECTOR
Member

PRAMOD KUMAR KAPOOR
CHAIRMAN AND
NON-EXECUTIVE INDEPENDENT DIRECTOR
Member



Animal welfare

Under animal welfare, we contributed towards cattle feed in Hyderabad.

₹ 2,58,555

Amount contributed towards animal welfare (cattle feed) in 2018-19



Healthcare

We focused on preventive healthcare initiatives in Hyderabad and contributed to the Thalassemia and Sickle Cell Society.

₹ 35,700

Amount contributed towards healthcare in 2018-19



Education

We promoted primary and secondary education in rural and economically-backward communities in Hyderabad by catering to their basic needs such as benches and by distributing books and curriculum materials to Rajasthan Graduate Association.

₹ 3,31,000

Amount contributed towards education in 2018-19

LEADERSHIP THAT INSPIRES

At Hariom Pipes, our Board of Directors (BOD) are guided by a strong culture of governance and risk framework to translate strategies into on-ground growth stories.

Board of Directors



Pramod Kumar Kapoor
Chairman and Independent Director



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-time Director



Sunita Gupta
Non-Executive Director



Santosh Kumar Rathi
Independent Director

Management team



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-time Director



Rakesh Kumar Gupta
Investment and
Technology Advisor



Amitabh Bhattacharya
Chief Financial Officer



Chirag Partani
Company Secretary and
Compliance Officer



Parul Gupta
Chief Human Resource Officer



Isha Gupta
Chief Customer Officer



Ashish Agarwal
Marketing Head

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economic Overview

During 2018-19, India slowed down from its 7.2% y-o-y growth in 2017-18 to 6.8%. One of the primary reasons behind this downturn was the liquidity crunch in the financial services sector, especially among the Non-Banking Financial Companies (NBFCs), owing to their inability to address their liabilities. This led to a sluggish fourth quarter growth, which stood at 5.8%.

Despite the contraction, the country retained its position as the fastest-growing trillion-dollar economy through the course of the year (except in the last quarter of 2018-19) and emerged as the sixth-largest global economy. India's inflation (including food and energy prices) for 2018-19 stood at 2.6%, which was lower than Reserve Bank of India's medium-term target of 4%. India sustained its core economic growth (eight core industries together) at 4.3% in 2018-19, with cement, steel, fertiliser and refinery products bolstering the index.

In 2018, India acquired the 77th position in ease of doing business globally among 190 countries, witnessing a jump in 23 ranks. The country also attracted foreign inflows of ~\$38 billion in 2018-19 compared to China's \$32 billion. During the year, the Indian Rupee (₹) recorded valuations as low as ₹74.45 against a dollar and closed the fiscal at a valuation of ₹69.44 against a dollar. During 2018-19, the Government of India continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

The Reserve Bank of India (RBI) impetus

Liquidity crunch in the economy prompted the RBI to cut repo rate by 25 bps to 6%, the second cut in a period of three months, making India the only economy in Asia to have implemented two consecutive policy rate cuts in a fiscal. The combined 50 bps cut also reflected the RBI's intent of infusing liquidity in the economy to bolster and empower it to navigate through this challenging period.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, interest rate cuts and weakened consumer sentiment starting from the second half of the financial year owing to the liquidity crisis.

Key government initiatives

- **Bank recapitalisation scheme:** The government infused ₹2.1 lakhs crores in public sector units, alongside ₹41,000 crores through recapitalisation bonds in 2018-19.
- **Expanding infrastructure:** The government invested ₹1.52 trillion to construct 6,460 kilometres of roads in 2018. Further, the government invested a total of ₹5.97 trillion (\$89.7 billion) towards infrastructural development across the country.
- **The Insolvency and Bankruptcy code (Amendment), Ordinance 2018:** This ordinance provides significant relief to home-buyers by recognising them as financial creditors. The major beneficiaries are MSMEs, empowering the Government of India to provide them a special dispensation under the code.
- **Direct benefit transfer:** This initiative helped in re-structuring the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. The gains to have accrued since the implementation of this scheme is estimated to be over ₹120,000 crores.

Outlook

According to the International Monetary Fund (IMF), India is expected to register a GDP growth rate of 7.3% in 2019, which is expected to further grow to 7.5% in 2020, riding on the back of continued recovery in investment (9.4% growth) coupled with a robust consumption story. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US.

(Source: CSO, Bloomberg, Fitch, IBEF, Money control)

Indian Steel Industry Overview

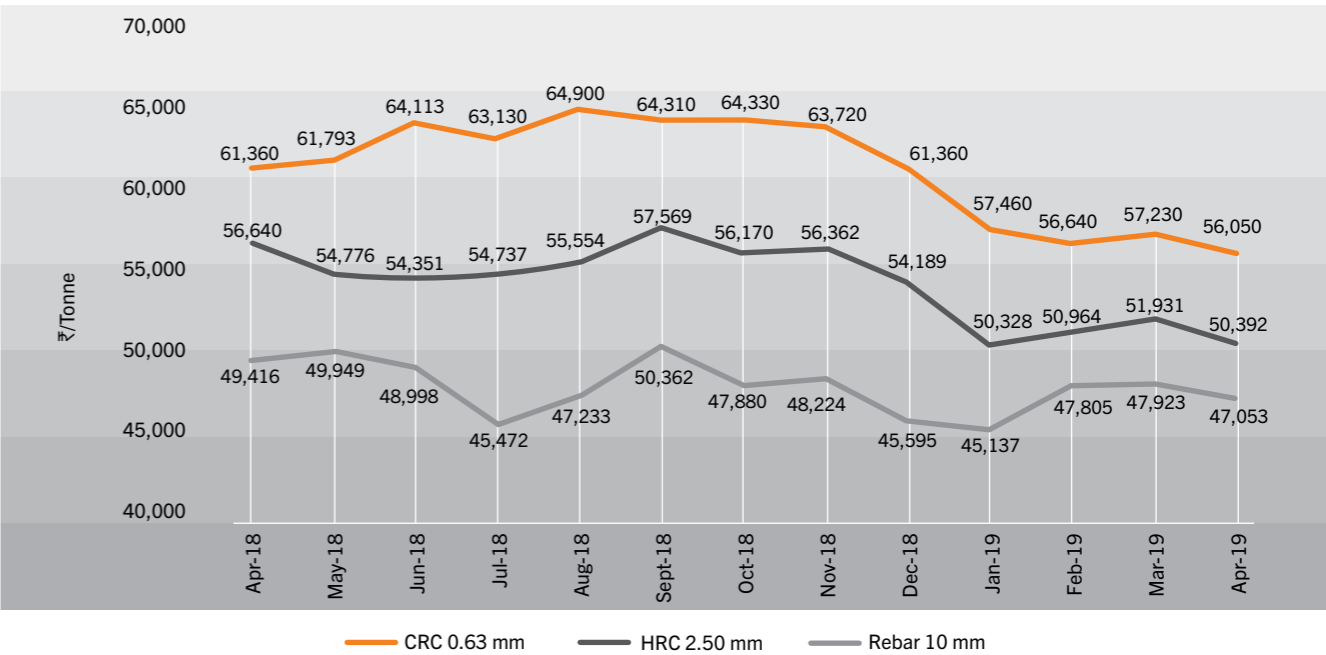
India emerged as the second largest steel producer globally, following China in 2018 and retained its position as the third-largest finished steel consumer after China and the US. In 2018, the country also emerged as the largest producer of sponge iron across the world. India's installed capacity of steel stood at 132 million tonnes in 2018. On the backdrop of this capacity, the crude steel production in the country stood at 106.5 million tonnes in 2018-19 compared to 103.1 million tonnes in 2017-18, registering a y-o-y growth of 3.3%.

India's per capita consumption of steel in 2018-19 stood at 69 kilograms compared to the global average of ~214 kg, validating the country's huge headroom available for growth. This coupled with increasing focus of the Government on India's infrastructure and real estate space and the growing per capita income of people is expected to drive the steel industry in the country. This growth is largely expected owing to the fact that construction and real estate sectors account for 60-65% of domestic steel consumption.

Due to the rise in iron ore prices, the steel price also saw an upward revision till September 2018 before recording a steep decline. Average prices of Hot-Rolled Coils (HRC) and Cold-Rolled Coils (CRC) during 2018-19 saw an overall decline in prices by 11% and 8.7%, respectively.

Graph No. 2: Market Price of HR Coil, CR Coil and Rebars

Finished Steel Retail Prices for April 2019: Ex-Mumbai (inc. GST)



The year saw Canada, the US, Turkey and European Union markets initiate import duty on steel imported from China, Japan and South Korea. Consequently, these steel exporters dumped their steel in India, corroding the average steel prices. This also affected the exports of steel from India, which saw a 34% decline on a y-o-y basis, from 9.62 million tonnes in 2017-18 to 6.36 million tonnes in 2018-19. Concurrently, the imports witnessed a y-o-y rise of 4.7%, from 7.48 million tonnes in 2017-18 to 7.84 million tonnes in 2018-19. This resulted in India emerging as a net steel importer during the year under review.

Outlook

The country's steel demand is estimated to grow at 7-8% in 2019-20 on the back of growing expenditure in the construction and real estate sectors. Domestic steelmakers are expected to increase their capacity by ~16 million tonnes between 2018-19 and 2020-21. This capacity ramp-up and refurbishment of stressed assets could lead to an industry-wide capex of ~₹750-800 billion between 2018-19 and 2020-21.

The steel industry is expected to achieve 300 million tonnes of production capacity by 2030. Increased outlays for the railways sector, affordable housing push, and rising demand in capital goods and consumer durables will further boost the domestic steel industry's growth.

(Source: PIB, Bloomberg, Ministry of Steel, World Steel, ICRA, Reuters)

Government initiatives

- The National Steel Policy strives to achieve a crude steel capacity of 300 million tonnes, production of 255 million tonnes and a per capita consumption of finished steel of ~160 kg by 2029-30

- The housing and construction sector accounts for the biggest share of domestic steel demand in India. This sector is expected to grow on the back of several government initiatives like Pradhan Mantri Awas Yojana, Sardar Patel Urban Housing Mission, Smart Cities Mission by 2022, Pradhan Mantri Gram Sadak Yojana, Urban Infrastructure Development Scheme for Small & Medium Towns, National Heritage City Development and Augmentation Yojana, Bharatmala, Sagarmala and Power for All.

The PMAY factor

In the Union Budget 2019-20, the Housing and Urban Affairs Ministry had a budgetary provision of ₹48,000 crores, a ~12% y-o-y increase over 2018-19. The Pradhan Mantri Awas Yojana (PMAY-Urban) was allotted a lumpsum of ₹6,853.26 crores in the 2019-20 budget compared to ₹6,505 crores in 2018-19. Under this initiative, >81 lakhs houses with an investment entailing ~₹4.83 lakhs crores was sanctioned, of which, the construction for 47 lakhs houses has already initiated.

- The Government of India announced a policy for giving preference to domestically-manufactured iron and steel products for government projects. The policy provides a minimum value addition of 15% in notified steel products, which are covered under preferential procurement
- Further, the Government of India also allowed 100% Foreign Direct Investment (FDI) through the automatic route, a 20% safeguard duty on steel imports and an export duty of 30% on iron ore (lumps and fines)

(Source: Ministry of Steel)

Growth drivers

- **Premiumisation:** It is estimated that by 2019-20, 35% of India's population could be living in urban centres, contributing ~75% of India's GDP. The increasing growth in the urban population is expected to drive the demand for premium products owing to the increasing appeal of premium fittings and houses in the urban locale, which would in turn drive the demand of steel
- **Real estate:** India's residential real estate market saw a 76% y-o-y rise in new launches in 2018 over 2017. Further, the Indian office real estate sector witnessed 13% rise in new completions in 2018 over 2017 backed by increase in office space requirements, office rentals and the increased traction in the idea of shared workspace. Retail shopping malls are projected to expand to 12-15 billion square feet by 2020. Further, 56,912 hotel rooms are expected to be constructed across major cities by 2020-21, thus, ensuring a steady order inflow to help the steel demand grow

RERA driving the
real estate space

The Real Estate Regulation Act (RERA) was passed by the Indian parliament in 2016, with the primary aim of protecting the interests of home buyers and boosting investment in the real estate sector. Through RERA, the government aims to create a more equitable and fair transaction between the seller and the buyer, and make real estate purchase simpler by bringing in better accountability and transparency.

This has been driving the real estate space across the country with the help of other government initiatives like PMAY.

- **Engineering and fabrication:** The engineering and fabrication sector accounted for the second-largest share (more than 20%) of total finished steel consumed. This segment involves industries such as capital goods, consumer durables, electrical goods, general engineering and defence equipment, among others. Steel products including HRC and sheets are used in general engineering while galvanised sheets are used in the manufacture of consumer durables. Rapid urbanisation coupled with growing per capita income could catalyse the steel industry's growth, along with rising temperatures, pollution and evolving lifestyles
- **Automotive:** The automotive sector accounted for the third-largest share (around 10%) of the total finished steel consumed in India. Further, the increase in the zero-tax income limit to ₹5,00,000 could strengthen the middle-class, strengthening sales of automotive products, especially two-wheelers and entry-level passenger vehicles, which could fuel growth of the steel industry

(Source: Knight Frank, CARE, SIAM, ICRA)

SWOT analysis

Strengths

- Availability of iron ore and other minerals in abundance
- Low per unit labour cost and the availability of skilled manpower

Weaknesses

- High cost of capital
- Expensive basic inputs such as power
- Poor quality of basic infrastructure
- Inefficient distribution network
- Rising cost of iron ore

Opportunities

- Low per capita consumption
- Unabated growth of the Indian economy
- Growing demand across rural markets
- Governmental thrust on infrastructural development
- Low international market penetration

Threats

- Slow industrial growth
- Technological obsolescence
- Substitution from aluminium and plastics
- Slowdown in demand in peer manufacturing countries, resulting in steel dumping

Risk Management

- **Economic risk:** The year 2018-19 saw a minor slowdown in the economic growth trajectory from 7.2% in 2017-18 to 6.8% in 2018-19. This downturn could have an adverse impact on the steel sector. However, the medium-term and long-term perspectives appear to be positive and Hariom

Pipes intends to leverage the macroeconomic opportunities and the headroom of growth available in the steel sector owing to the low per capita consumption figures

- **Quality risk:** A decline in product quality can affect our brand and revenues. During the year under review, we ensured that our operations are in line with stringent quality norms specified by customers or quality agencies, which is validated by certifications such as ISO 9001:2015 and IS 2830:2012
- **Client concentration risk:** With 90% of our revenues being contributed by the top 10 customers, the concentration of revenue is very uneven across the client list. We are focusing on foraying across newer geographies and brining in new clients, to reduce this dependency on the top clients and ensure improved revenue spread across clients
- **Manpower/Material risk:** Inability to acquire raw materials and manpower at a reasonable cost can act as a deterrent to profitability. We mitigate this risk on the back of our strategic location and integrated plant, ensuring faster turnarounds and the right mix of technology and manpower (skilled labour) interventions
- **Employee risk:** The steel industry is marked by attrition and inability to attract skilled professionals. We grew to a 373 employee organisation in 2018-19 aided by employees having longstanding association with us
- **Competition risk:** With the entry of new players in the market, our market share could be challenged. Our presence is robust in the southern parts of the country, especially in the states of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. We are further working on diversifying our presence across the country to reduce the dependence on certain specific markets

Financial Performance

We clocked a revenue growth of 21.19% y-o-y to ₹133.92 crores in 2018-19. Our EBIDTA stood at ₹17.31 crores in 2018-19 compared to ₹15.49 crores in 2017-18, registering a growth of 65.31% y-o-y. Further, we also reporte a post-tax profit of ₹8.22 crores in 2018-19 compared to ₹6.48 crores in 2017-18, registering a growth of 29.31% y-o-y.

We also recorded a EBITDA margin growth of 1,293 bps to 12.93% in 2018-19 and deleveraged our books by improving our debt equity ratio from 1.95:1 in 2014-15 to 1.54:1 in 2018-19.

Internal control systems and their adequacy

Our internal control and risk management system is structured and implemented in accordance with the highest standards of corporate governance. The internal control systems form an integral part of the general organisational structure, wherein multiple employees across the organisational hierarchy collectively collaborate to execute their respective responsibilities, under the guidance of the Board of Directors. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

Human Resources

At Hariom Pipes, we believe that people are our biggest assets. We have a diversified talent pool with people from experiences across various sectors. We leverage the different technological experience and domain knowledge of such a diversified talent pool to create the building blocks of a world-class company. Our HR culture is rooted in our ability to subvert age-old norms in a bid to enhance competitiveness. We strive to be a people-centric organisation, and in achieving this, we take decisions aligned with the professional and personal goals of employees. On the back of these initiatives, we have created a diverse workforce.

Cautionary Statement

All statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, references in this document to 'we', 'us' or 'our' refers to Hariom Pipe Industries Limited.

BOARD'S REPORT

TO THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hari Om Concast and Steels Private Limited)

Your Directors have pleasure to present their Annual Report together with the audited accounts for the year ended 31 March, 2019.

Financial Results

	(Amount in ₹)	
Particulars	31-03-2019	31-03-2018
Income from operations	1,33,59,60,678	1,05,08,89,030
Other income	31,95,113	27,80,518
Total	1,33,91,55,791	1,05,36,69,548
Total Expenditure	1,22,08,17,338	95,32,65,429
Profit/(Loss) before Tax	11,83,38,453	10,05,56,718
Profit/(Loss) after Tax	8,21,62,079	6,48,15,187

Operational Review

Your Company has recorded total revenue of ₹1,33,59,60,678 as compared to ₹1,05,08,89,030 in the previous financial year. The Net profits of the Company stood at ₹8,21,62,079 as against a profit of ₹6,48,15,187 in the Previous Financial Year.

Your Company continues to engage with customers to maintain long term partnerships and develop new ones.

Your Directors are optimistic about Companies business and hopeful of more better performance with more increased revenue next year.

Transfers to Reserves

The Company does not propose any amount to be transferred to reserves.

Dividend

Your Board recommend a dividend of ₹0.70/- Per Equity Share of ₹10/- each as the Final Dividend for the year 2018-2019. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

Bonus Shares

The Company did not Issue any Bonus shares to its members during the FY 2018-19.

Changes in capital

1. **Authorised Capital**

The Authorised Share capital of the company was increased from ₹19,00,00,000/- to ₹22,00,00,000/-.

The reason for Increase in the Authorised capital was due to addition of 30,00,000 3% Series A Redeemable Non Cumulative preference Shares of ₹10/- each.

2. **Paid Up Capital**

The total paid up capital of the Company Increased from ₹14,21,62,920 to ₹19,40,36,580 due to the following allotments.

The Equity Paid up Capital of the Company was increased from ₹10,90,00,920 to ₹13,23,34,300 as the Company has allotted 2333338 Equity Shares of ₹10/- each.

The Company has also Issued 30,00,000 3% Series A Redeemable Non Cumulative preference Shares @ ₹10/- and out of which 2854028 shares were allotted by the Company.

Material Changes and commitments

No material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Auditors and Auditors report

1. **Statutory Auditors and Statutory Auditors Report**

M/s. Rakesh S Jain & Associates, Chartered Accountants, were appointed as statutory auditors of the Company for a period of five years in the Annual General Meeting held on 29 September, 2017. They have confirmed that they are not disqualified to continue as Auditors of the Company.

The Notes on Financial Statements referred to in the Auditors Report are self explanatory and do not call for any further comments. The Auditors report does not have any qualification, reservation or adverse remarks.
2. **Cost Auditors and Cost Auditors Report**

As per the provisions of Section 148 of the Companies Act 2013 read with the Companies (Cost and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditor) Rules, 2014, M/s Sheshadri & Associates, Cost Accountants, (Firm Registration No. 101476) were appointed as Cost Auditors of the Company in the Board meeting held on 9 June, 2018, to conduct audit of Cost records maintained by the Company for Financial year ending 31 March, 2019.

The Auditors report does not have any qualification, reservation or adverse remarks.

Details of Directors or Key Managerial personnel who were appointed or resigned during the year

No Directors or Key Managerial personnel were appointed or resigned during the year.

Director Retiring by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Sunitha Gupta, Director of the Company, being the only director who is liable to retire by rotation and is proposed

to retire at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment at the said Meeting of the Company.

Declaration given by Independent Directors

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013. The Company received the declarations from the Independent Directors confirming that they meet the criteria as mentioned in the Companies Act, 2013.

Details of Subsidiaries, Associates and Joint Ventures

Your Company has no subsidiary companies, no Associate companies and no joint ventures.

Secretarial Standards

The Directors state that applicable Secretarial Standards i.e SS-1 and SS-2, relating to ‘Meeting of Board of Directors’ and ‘General meetings’, respectively, have been duly followed by the Company.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources acquired are used economically.

Quality and Systems

Your company continues to maintain its certification under the Integrated Management Systems with certifications under ISO 9001:2015.

Deposits

The company has neither accepted nor renewed any deposits falling within the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 including any modification, amendment and reenactment thereto for the time being in force from the public during the financial year.

Number of Board Meetings held during the year

The Board of Directors duly met Eight times during the year and in respect of which meetings, proper notices were given and the proceedings were properly recorded.

Directors’ Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to Directors’ Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the period ended 31 March, 2019, the applicable accounting standards

have been followed along with proper explanation relating to material departures;

- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 statement of profit of the company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the accounts for the period ended 31 March, 2019 on a ‘Going Concern’ basis and
- e) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

The details regarding conservation of Energy, Technology Absorption Foreign Exchange Earnings / Outgo are attached as Annexure-I to this report.

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act 2013

The Company has not given any Loans, Guarantees or made any Investments under section 186 of the Companies Act 2013.

Particulars of contracts or arrangements with related parties referred in sub section (1) of Section 188 in the prescribed form

The Particulars of contracts or arrangements with related parties referred in sub section (1) of Section 188 are attached as Annexure –II to this report.

Vigil Mechanism/ Whistle Blower Policy

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group.

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

Risk Management

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company.

Details about the Corporate Social Responsibility Policy developed and implemented by the Company

The Board is in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made thereunder. A detailed report on the CSR activities taken up by your Company is annexed as Annexure 4 to this report.

Committees of the Board

Audit Committee

Your Company has constituted Audit Committee pursuant to the provisions of section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Santosh Kumar Rath	Non-Executive Independent Director	Chairman
2.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member
3.	Mr. Rupesh Kumar Gupta	Managing Director	Member

The Committee comprises of the following Directors as Chairman/ Member:

Nomination and Remuneration Committee

Your Company has constituted Nomination and Remuneration Committee pursuant to the provisions of section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Chairman
2.	Mr. Santosh Kumar Rath	Non-Executive Independent Director	Member
3.	Mrs. Sunita Gupta	Non-Executive-Director	Member

Constitution of Stakeholders Relationship Committee

Your Company has constituted Stakeholders Relationship Committee pursuant to the provisions of section 178 (5) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mrs. Sunita Gupta	Non-Executive-Director	Chairman
2.	Mr. Santosh Kumar Rath	Non-Executive Independent Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

Constitution of Corporate Social Responsibility Committee

The Board of Directors in their meeting held on 09.06.2018, had constituted Corporate Social Responsibility Committee pursuant to the provisions of section 135 of the Companies Act, 2013 read with Schedule VII and the relevant rues made thereunder, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rupesh Kumar Gupta	Managing Director	Chairman
2.	Mr. Sailesh Gupta	Wholetime Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

Meeting of Independent Directors

During the year under review, the Independent Directors met on 26 March, 2019 inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

Extract of Annual Return

The Extract of the Annual Return for the financial year ended 31 March 2019 is being attached as Annexure III and forms part of this report.

Policy on Sexual Harassment:

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31 March, 2019, the company has not received any complaints pertaining to sexual harassment.

Significant and Material Orders passed by the Regulators or Courts

The company has not received any significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Acknowledgements

Your Directors express their sincere thanks for the continued support and encouragement extended by its Bankers, Government of Andhra Pradesh and Telangana and other Government Bodies both at the Centre and at the States.

Your Directors wish to express their heartfelt thanks to the shareholders for the continued resources, energy and methods of improvement that they have actively injected into the Company and the constant support to its management.

Your Directors wish to place on record their deep sense of appreciation for the constructive attitude, hard work and proactive contribution made by all its employees.

For and on behalf of the Board

Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/- **Rupesh Kumar Gupta** Managing Director (DIN: 00540787)
Sd/- **Sailesh Gupta** Wholetime Director (DIN: 00540862)

Date: 31.08.2019
Place: Hyderabad

Annexure - I

INFORMATION UNDER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

A. Conservation of Energy:

- i)

The Company being a manufacturing unit have been using Hot Charging method that is Direct Rolling of Hot Continuous Cast Billets which helps the Company to have more favorable price for energy. Also the management of the company have been making continuous efforts to identify the areas of energy conservation for effecting improvements.
- ii)

The Company has been procuring energy from Indian Energy Exchange (IEX) as an alternative for procuring energy as and when required.
- iii)

The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

B. Technology Absorption:

- i)

the efforts made towards technology absorption:

NIL
- ii)

the benefits derived like product improvement, cost reduction, product development or import substitution:

NIL
- iii)

in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)—

(a)

the details of technology imported:

NIL

(b)

the year of import:

NIL

(c)

whether the technology been fully absorbed:

NIL

(d)

if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

NIL
- iv)

the expenditure incurred on Research and Development:

NIL

C. Foreign Exchange Earnings and Outgo:

Activities relating to exports and initiatives taken to increase export products, services and export plans: NIL

Foreign Exchange earnings and outgo: (On receipts and payments basis)

Particulars	2018-19	2017-18
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo (₹ in lakhs)	3,14,086	6,12,293

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Date: 31.08.2019
Place: Hyderabad

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Annexure - II

Form No. AOC-2
DETAILS OF RELATED PARTY TRANSACTIONS
(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 subsection (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: NIL

The company has not entered into any contract or arrangement or transaction which is not at arm’s length basis during the year under review.

2.

Details of material contracts or arrangement or transactions at arm’s length basis:

The following are the details of the transaction.

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Rupesh Kumar Gupta	Rent paid (Expenses)	NA	Lease of premises at a rent of ₹55,000/- Per Month.	Existing Agreement - Not Applicable	NIL
Ms. Parul Gupta	Rent paid (Expenses)	NA	Lease of premises at a monthly rent of ₹35,000/-	Existing Agreement - Not Applicable	NIL
Mr. Sailesh Gupta	Rent paid (Expenses)	NA	Nil	Existing Agreement - Not Applicable	NIL
Mrs. Parul Gupta	Salary	NA	Remuneration Increased to ₹36,00,000 per anum as per provisions of Section 188(1)(f) of the Companies Act, 2013	27.02.2019	Nil
Mrs. Isha Gupta	Salary	NA	Remuneration Increased to ₹36,00,000 per anum as per provisions of Section 188(1)(f) of the Companies Act, 2013	27.02.2019	Nil
Mr. Rakesh Kumar Gupta	Salary	NA	Salary paid ₹24,00,000	Not Applicable	Nil

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Date: 31.08.2019
Place: Hyderabad

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

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Annexure - III

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i)	CIN	U27100TG2007PTC054564
ii)	Registration Date	21/06/2007
iii)	Name of the Company	HARIOM PIPE INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v)	Address of the Registered office and contact details	3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad Hyderabad-500048
vi)	Whether listed company	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Bigshare Services Private Ltd. Flat No. 306, Right wing, 3rd Floor Amrutha Ville Appts, Opp: Yashoda Hospitals, Somajiguda, Rajbhavan Road, Hyderabad-500082. Ph: 91 40-23374967

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	MANUFACTURE OF SEMI FINISHED ALLOY STEEL OF THESE SHAPES [Mild Steel Billets]	27142	22.43%
2	MANUFACTURE OF ALLOY STEEL HOT ROLLED FLAT PRODUCTS [HRStrip]	27162	15.74%
3	MANUFACTURE OF OTHER BASIC IRON AND STEEL M.E.C [of Iron Other Tubes, Pipes and Hollow Profiles]	27190	61.83%

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
-	-	-	-	-	-

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 (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	-	10900092	10900092	100	10900092	2333338	13233430	100	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	10900092	10900092	100	10900092	2333338	13233430	100	-
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	-	10900092	10900092	100	10900092	2333338	13233430	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital up to ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares Held by Custodian for GDRS & ADRS									
Grand Total (A+B+C)	-	10900092	10900092	100	10900092	2333338	13233430	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% 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	Isha Gupta	644000	5.91	-	644000	4.87	-	(1.04)
2	Parul Gupta	905968	8.31	-	905968	6.85	-	(1.46)
3	Rakesh Kumar Gupta [H.U.F.]	420000	3.85	-	420000	3.17	-	(0.68)
4	Rakesh Kumar Gupta	1890000	17.34	-	1890000	14.28	-	(3.06)
5	Rupesh Kumar Gupta [H.U.F.]	98000	0.90	-	98000	0.74	-	(0.16)
6	Rupesh Kumar Gupta	3638292	33.38	-	3638292	27.49	-	(5.89)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% 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	
7	Shailesh Kumar Gupta	2464000	22.61	-	2464000	18.62	-	(3.99)
8	Sunita Gupta	811832	7.45	-	811832	6.13	-	(1.32)
9	Shailesh Kumar Gupta HUF	28000	0.26	-	28000	0.21	-	(0.05)
10	Rupesh Kumar Gupta, Sailesh Gupta, Rakesh Kumar Gupta (Beneficial Owner M/s Ultrapiques partnership firm)	-	-	-	2333338	17.63	-	17.63
Total		10900092	100	-	13233430	100	-	-

(iii) Change in Promoters’ Shareholding (Please specify, if there is no change)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01.04.2018	N.A	10900092	100%	10900092	100%
	Changes during the year	26.03.2019	Issue of Equity Shares	1000000	8.40%	11900092	100%
		27.03.2019	Issue of Equity Shares	1333338	10.07%	13233430	100%
	At the end of the year	31.03.2019	N.A	13233430	100%	13233430	100%

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

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
	No. of Shares	% of total Shares of the company	Date	Increase / Decrease	Reason	% of total Shares of the Company
	For Each of the Top 10 Shareholders					
	At the beginning of the year	-	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	Rupesh Kumar Gupta						
	At the beginning of the year	01.04.2018	NA	3638292	33.38		
	At the end of the year	31.03.2019	NA	3638292	27.49	3638292	27.49
2.	Sailesh Gupta						
	At the beginning of the year	31.03.2018	NA	2464000	22.61		
	At the end of the year	31.03.2019	NA	2464000	18.62	2464000	18.62
3.	Sunita Gupta						
	At the beginning of the year	01.04.2018	NA	811832	7.45		
	At the end of the year	31.03.2019	NA	811832	6.13	811832	6.13
4.	Rakesh Kumar Gupta						
	At the beginning of the year	01.04.2018	NA	1890000	17.34		
	At the end of the year	31.03.2019	NA	1890000	14.28	1890000	14.28
5.	Isha Gupta						
	At the beginning of the year	01.04.2018	NA	644000	5.91		
	At the end of the year	31.03.2019	NA	644000	4.87	644000	4.87
6.	Parul Gupta						
	At the beginning of the year	01.04.2018	NA	905968	8.31		
	At the end of the year	31.03.2019	NA	905968	6.85	905968	6.85

VI. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹16,65,54,679/-	₹5,50,07,185/-	NIL	₹22,15,61,864/-
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	₹16,65,54,679/-	₹5,50,07,185/-	NIL	₹22,15,61,864/-
Change in Indebtedness during the financial year				
Addition	₹23,45,11,197	₹1,58,00,000/-	NIL	₹25,03,11,197/-
Reduction	NIL	NIL	NIL	NIL
Net Change	₹23,45,11,197	₹1,58,00,000/-	NIL	₹25,03,11,197/-
Indebtedness at the end of the financial year				
i) Principal Amount	₹40,10,65,876/-	₹7,08,07,185/-	NIL	₹47,18,73,061/-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	₹40,10,65,876/-	₹7,08,07,185/-	NIL	₹47,18,73,061/-

I. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Rupesh Kumar Gupta	Sailesh Gupta	-
1.	Gross salary	1,20,00,000	60,00,000	1,80,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify.....	-	-	-
5.	Others, please specify	-	-	-
Total (A)		1,20,00,000	60,00,000	1,80,00,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Santosh Kumar Rathi	Pramod Kumar Kapoor	Sunita Gupta	-
3.	Independent Directors	75,000	80,000	-	1,55,000
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
Total (1)		75,000	80,000	-	1,55,000
4.	Other Non-Executive Directors	-		72,500	72,500
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
Total (2)		-	-	72,500	72,500
Total (B) = (1+2)		75,000	80,000	72,500	2,27,500
Total Managerial Remuneration		75,000	80,000	72,500	2,27,500
Overall Ceiling as per the Act		-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	₹4,31,760/-	₹6,60,000/-	₹10,91,760/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify.....	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	₹4,31,760/-	₹6,60,000/-	₹10,91,760/-

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)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Date: 31.08.2019
Place: Hyderabad

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Our Company always believes that Corporate Social Responsibility requires the Company to pursue social goals, especially those relating to sustainable development, environmental protection, social justice and economic development. Corporate Social Responsibilities strengthen the relationship between the Company and the Society. Stakeholders are changing the way they assess Companies' performance, and are making decisions based on criteria that include ethical concerns.

CSR committee

We have a board committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rupesh Kumar Gupta	Managing Director	Chairman
2.	Mr. Sailesh Gupta	Wholetime Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

Focus Areas of Engagement

The main focus of the Foundation is more on the three basic needs of the society at large:

- Education ₹3,31,000/-
- Animal Welfare (Cattle Feed) ₹2,58,555/-
- Health Care ₹35,700/-

Average net profit of the Company for last three financial years	₹2,17,70,521
Prescribed CSR Expenditure (2% of the above amount)	₹4,35,410
Details of CSR spent during the financial year	
• Total amount spent for the financial year	₹6,25,255
• Amount unspent, if any	Nil
• Manner in which the amount spent during the financial year is detailed below	Annexure A
In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount	NA

Our CSR responsibilities

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

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Date: 31.08.2019
Place: Hyderabad

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Annexure - A

Sl. No	CSR Project/ Activity/ beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Promoting primary and secondary education in rural and socially/ economically backward communities by way distributing books, curriculum materials, Benches etc.	Education	Hyderabad	₹3,31,000	₹3,31,000	₹3,31,000	Directly contributed to Rajasthan Graduate Association Hyderabad
2	Ensuring Animal Welfare by way of contribution towards Cattle feeds etc.	Animal Welfare	Hyderabad	₹2,58,555	₹2,58,555	₹2,58,555	Directly by the Company
3	Promoting health care including preventinve health care	Health care	Hyderabad	₹35,700	₹35,700	₹35,700	Directly by contributing to Thalassemia and sickle cell society

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Date: 31.08.2019
Place: Hyderabad

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hari Om Concast and Steels Private Limited)

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **HARIOM PIPES INDUSTRIES LIMITED (Formerly Hariom Concast & Steels Pvt. Ltd.)** (“the Company”), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the 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 Companies Act, 2013 (“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 March, 2019, Its profit and cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Information Other than the 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, Business Responsibility Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management’s Responsibility for the Financial Statements

The Company’s board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 are also responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

- 1
- As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order , to the extent applicable.
2.
- 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 purposes of our audit.
- b)
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c)
- The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d)
- In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e)
- On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f)
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i.
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii.
- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts: and
- iii.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAKESH S JAIN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 010129S

Place: Hyderabad
Date: 10.06.2019

Sd/-
B. RAMESH KUMAR
(PARTNER)
M.No: 200304

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **HARIOM PIPES INDUSTRIES LTD** of even date)

HARIOM PIPES INDUSTRIES LTD

1. In respect of the Company's fixed assets:
 - a) According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanations furnished to us, all the assets have been physically verified by the Management during the year through a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations furnished to us the title deeds of immovable property are held in the name of the company.
2.
 - a) According to the information and explanations furnished to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - b) According to the information and explanations furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the company has not granted any loans secured or Unsecured to Companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. We have broadly reviewed the books of account relating to the material, labour and other items of cost maintained by the company pursuant to the order by the Central Govt. for the maintenance of cost records under sec 148(1) of the Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made a detailed examination of the reports with a view to determine whether they are accurate or complete.
7.
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Income tax, sales tax, Goods and Service Tax, service tax, duty of customs duty of excise and value added tax which have not been deposited on account of any dispute.
8. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.
9. In our Opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of Companies Act 2013.

12. In our opinion, the company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
13. According to the records of the Company examined by us, all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 have complied with and the details have been disclosed in the Financial Statements as required by applicable accounting standards.
14. During the year, the Company has made private placement of shares. The requirement of section 42 of the Companies Act, 2013 have been complied with and the amount so raised has been utilised towards the purpose for which it was raised.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. According to the information and explanations given to us, in our opinion the company is not required to get registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAKESH S JAIN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 010129S

Sd/-
B. RAMESH KUMAR
(PARTNER)
M.No: 200304
Place: Hyderabad
Date: 10.06.2019

ANNEXURE B TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **HARIOM PIPES INDUSTRIES LTD** of even date)

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

To the Members of **HARIOM PIPES INDUSTRIES LIMITED** (“the Company”)

We have audited the internal financial controls over financial reporting of as of HARIOM PIPES INDUSTRIES LIMITED (“the Company”) as of 31 March, 2019 in conjunction with our audit of 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 are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 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 **RAKESH S JAIN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 010129S

Place: Hyderabad
Date: 10.06.2019

Sd/-
B. RAMESH KUMAR
(PARTNER)
M.No: 200304

BALANCE SHEET

as at 31-03-2019

(Value ₹)			
Particulars	Note No.	As at 31-03-2019	As at 31-03-2018
I) EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	19,40,36,580	14,21,62,920
(b) Reserves and Surplus	2.2	21,47,04,394	8,58,75,554
2. Non-current liabilities			
(a) Long-term borrowings	2.3	29,76,26,141	6,74,35,888
(b) Deferred tax Liabilities (Net)	2.4	1,47,99,750	21,91,089
(c) Long-term provisions	2.5	10,82,130	6,99,769
3. Current liabilities			
(a) Short-term borrowings	2.6	20,33,95,904	15,41,25,977
(b) Trade payables	2.7	4,79,28,735	5,06,62,930
(c) Other Current Liabilities	2.8	5,19,93,802	4,59,91,208
(d) Short-term Provisions	2.9	2,64,86,955	3,48,27,180
Total		1,05,20,54,391	58,39,72,515
II) ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment			
(i) Tangible assets	2.10	42,81,80,382	12,18,07,838
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		-	59,96,402
(b) Long term loans and advances	2.11	1,68,708	1,68,708
(c) Other Non-Current Assets	2.12	15,40,900	13,95,500
2. Current assets			
(a) Inventories	2.13	39,01,19,317	32,11,10,049
(b) Trade receivables	2.14	10,48,57,867	10,31,62,610
(c) Cash and Bank balances	2.15	3,99,95,864	29,89,652
(d) Short-term loans and advances	2.16	7,47,40,611	2,17,19,729
(e) Other current assets	2.17	1,24,50,742	56,22,028
Total		1,05,20,54,391	583972515
Contingent Liabilites & Commitment	2.27	4,82,249	3,51,249
Significant accounting policies and notes on accounts	1 & 2		

The schedules referred to above form an integral part of the accounts
As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 010129S

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10.06.2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Sd/-
Sailesh Gupta
Whole-time Director
DIN: 00540862

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Chirag Partani
(Company Secretary & Compliance Officer)

STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2019

(Value ₹)			
Particulars	Note No.	2018-2019	2017-2018
I) Revenue			
Revenue from operations (Gross)		1,57,64,33,608	1,24,01,10,474
Less: Taxes & Duties		24,04,72,930	18,92,21,444
Revenue from operations (Net)		1,33,59,60,678	1,05,08,89,030
II) Other Income			
		31,95,113	27,80,518
Total Revenue (I+II)	2.18	1,33,91,55,791	1,05,36,69,548
Expenses:			
Cost of materials consumed	2.19	84,09,37,837	60,72,76,363
Purchase Stock-in-Trade	2.20	-	54,11,413
Changes in inventories of work-in-process and finished goods	2.21	5,87,910	(1,38,49,172)
Employee benefits expenses	2.22	5,86,64,201	3,23,37,982
Finance costs	2.23	3,32,52,026	2,87,47,690
Depreciation and amortization expenses	2.10	2,15,42,880	2,57,81,110
Other expenses	2.24	26,58,32,484	26,75,60,044
Total Expenses		1,22,08,17,338	95,32,65,429
Profit/(Loss) before Exceptional & Extraoridanary Item		11,83,38,453	10,04,04,118
Exceptional Items			
	2.25	-	1,52,599
Profit/(Loss) before tax		11,83,38,453	10,05,56,718
Tax expenses:			
	2.26		
(a) Current tax		2,55,00,517	3,72,36,308
(b) Mat Credit Entitlement		(52,27,382)	-
(b) Income tax for earlier year		32,94,578	3,90,888
(c) Deferred tax		1,26,08,661	(18,85,665)
Total Tax expenses		3,61,76,374	3,57,41,531
Profit/(Loss) for the period		8,21,62,079	6,48,15,187
Earnings per equity share:			
(a) Basic/Adjusted Basic for Last Yr.		7.51	5.93
(b) Diluted/Adjusted Diluted for Last Yr.		7.51	5.93
Significant accounting policies and notes on accounts	1&2		

The schedules referred to above form an integral part of the accounts
As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 010129S

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10.06.2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Sd/-
Sailesh Gupta
Whole-time Director
DIN: 00540862

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Chirag Partani
(Company Secretary & Compliance Officer)

CASH FLOW STATEMENT

for the period ended 31st March, 2019

(Value ₹)		
Particulars	31-03-2019	31-03-2018
I) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax	11,83,38,453	10,05,56,718
Adjust For		
Depreciation	2,15,42,880	2,57,81,110
Finance Costs	3,32,52,026	2,87,47,690
Operating Profit before Working Capital changes	17,31,33,359	15,50,85,517
Working Capital Changes Adjust For		
Trade & Other Receivables	(6,16,90,253)	(4,49,54,118)
Inventories	(6,90,09,268)	(6,60,96,472)
Trade Payables & Other Current Liabilities	(50,71,827)	7,92,10,967
Working Capital Borrowings	4,92,69,927	(1,92,91,332)
	(8,65,01,420)	(5,11,30,955)
Cash generated from operations	8,66,31,939	10,39,54,562
Taxes Paid	(2,35,67,713)	(3,76,27,196)
Cash Flow before extraordinary items	6,30,64,226	6,63,27,366
Net Cash Flow From Operating Activities - (A)	6,30,64,226	6,63,27,366
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments (Net)	(32,19,19,022)	(3,64,79,558)
Net Cash used in Investing Activities - (B)	(32,19,19,022)	(3,64,79,558)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges	(3,32,52,026)	(2,87,47,690)
Dividend Paid	-	(65,40,055)
Corporate Social Responsibility	-	
Increase/ (Decrease) in securities premium	4,66,66,760	(7,14,43,920)
Issue of share capital	5,18,73,660	7,14,43,920
Share Application	-	
Term Loans	18,52,41,270	(19,81,236)
Other Long-term Liabilities	2,95,31,345	6,99,769
Other Loans	1,58,00,000	64,16,367
Net Cash used in Finance Activities - (C)	29,58,61,009	(3,01,52,844)
Net Increase (Decrease)		
in Cash & Cash Equivalents (A+B+C)	3,70,06,212	(3,05,035)
Opening Balance in Cash and Cash Equivalents		
(Cash and Bank Balance)	29,89,652	32,94,687
Closing Balance in Cash and Cash Equivalents	3,99,95,864	29,89,652
(Cash and Bank Balance)		

The schedules referred to above form an integral part of the accounts
As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 010129S

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10.06.2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Sailesh Gupta
Whole-time Director
DIN: 00540862

Sd/-
Chirag Partani
(Company Secretary
& Compliance Officer)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

1. SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Hariom Pipe Industries Limited (Formerly Hariom Concast & Steels Private Limited incorporated under the provisions of Companies Act, 1956 on 21 June, 2007 with the Registrar of Companies, Hyderabad.) The name of our Company was changed to Hariom Pipe Industries Private Limited vide Special Resolution dated 12 December, 2017. A Certificate of Incorporation consequent to name change was issued on 27 December, 2017. The status of our Company was changed to a public limited company and the name of our Company was changed to Hariom Pipe Industries Limited by a Special Resolution passed on 08 January, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on 17 January, 2018 by the Registrar of Companies, Hyderabad.

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 in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any explained below.

A. Uses of Estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

B. Property, plant and equipment

a) **Property, plant and equipment:** Property, plant and equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and

acquisition of any Property, plant and equipments is shown as deduction in the year of receipt. Capital work- in progress is stated at cost.

Gains or losses arising from de-recognition of Property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized.

b) **Depreciation:** Depreciation is systematically allocated over the useful life of the asset as specified in Schedule II of Companies Act, 2013.

Depreciation on Property, plant and equipments added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

Freehold land is not depreciated.

C. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is arrived on the basis of weighted average method.

Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spare parts are carried at lower of cost and net realisable value.

D. Revenue recognition

Revenue is recognized on accrual basis and there is no Transaction Involving Sale of Goods not recognized as revenue during the previous year due lack of reasonable certainty of its ultimate collection.

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

E. Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Defined contribution plan: Company's contributions due/payable during the year towards provident fund and Employee State Insurance is recognized in the profit and loss account. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at balance sheet date.

F. Taxes on Income

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is virtual certainty that there will be sufficient future taxable income available to realise assets. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

G. Impairment of Asset

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

H. Provisions

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

I. Contingent Liability

Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably.

J. Borrowing Cost

The Assessee has adopted and Accounting Policy to Capitalize Borrowing Cost for Amounts Borrowed for Acquiring Tangible Assets till the Date of Assets put to Use.

K. Amortisation

IPO Expenses are amortised over a period of five years.

L. Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented are been adjusted for events, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares unless impact is anti-dilutive.

M. Business Segment

The company is dealing in one segment i.e. manufacturing of Iron & Steels. Hence figures relate to that segment only.

2. NOTES ON ACCOUNTS

A. Related Party Disclosers:

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year:

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

List of Related Parties

Name	Designation
RupeshKumar Gupta	Director
Sailesh Gupta	Director
Rakesh Kumar Gupta	Director's Relative
Parul Gupta	Director's Relative
Isha Gupta	Director's Relative
Sunita Gupta	Director

B. Directors' Interest

- Reo Solutions (Pvt.) Ltd.
- Ansh Commerce (Pvt.) Ltd.
- Hariom Scaffolding and Form Works
- Ultra Pipe

C. Key Managerial Person:

- Rupesh Kumar Gupta Managing Director
- Sailesh Gupta Whole Time Director
- Amitabha Bhattacharya Chief Financial Officer
- Chirag Partani Company Secretary and Compliance Officer

- Rakesh Kumar Gupta Adviser to Strategy and Finance
- Ashok Kumar Gupta General Manager Production
- V Suvarchala HR Manager
- Ashish Agarwal Marketing Head

D. During the year following transactions was carried out with related parties in ordinary course of Business

S No.	Particulars	2018-19	2017-18
1.	Managerial Remuneration	1,20,00,000	57,60,000
2.	Directors Sitting Fees	2,27,500	1,05,000
3.	Salary		
	a) Parul Gupta	25,35,000	7,20,000
	b) Isha Gupta	25,35,000	7,20,000
	c) Rakesh Kumar Gupta	24,00,000	7,20,000
4.	Rent Paid		
	a) Rupesh Kumar Gupta	6,60,000	6,60,000
	b) Parul Gupta	4,20,000	4,20,000
	c) Sailesh Gupta	1,00,000	-

SL. No.	Particulars	Balance as on 31 March 2018	Accepted During the Year	Repaid During the Year	Balance as on 31 March 2019
1.	Loan				
	a) Ansh Commerce (Pvt.) Ltd.	4,23,40,000	2,91,10,000	2,91,10,000	4,23,40,000
	b) Reo Solutions (Pvt.) Ltd.	7,00,000	-	-	7,00,000
	c) Rupesh Kumar Gupta	12,48,525	1,32,00,000	12,50,000	1,31,98,525
	d) Sailesh Gupta	16,90,670	51,00,000	12,50,000	55,40,670
	e) Sunita Gupta	90,27,990	-	-	90,27,990

E. The breakup of net deferred tax liability as on 31 March 2019 is as under:

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-2018	Current Year Charges (Credit)	Deferred Tax Asset/ (Liability) as at 31-03-2019
Deferred Tax Liabilities			
Difference between book and tax depreciation/ unabsorbed loss	(21,91,089)	(1,28,48,060)	(1,50,39,149)
Total	(21,91,089)	(1,28,48,060)	(1,40,55,279)
Deferred Tax Assets			
Difference between book and tax for Others	-	2,39,399	2,39,399
Net Amount	(21,91,089)	(1,26,08,661)	(1,47,99,750)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

F. EPS calculation for the FY 2018-2019

Particular	FY 18-19	FY 17-18
The computation of EPS is set out below:		
Earnings:		
Net Profit for the period	8,21,62,079	6,48,15,187
Shares:		
No of Shares at the beginning of the period	10900092	10900092
Add: Shares Issued during the period	2333338	2333338
Total No of Equity Shares outstanding at the end of the period	13233430	13233430
Weighted average No of Equity Shares Outstanding during the period	10934795	10934795
Earning Per Share of par value ₹10/- Basic/ Diluted(₹)	7.51	5.93

G. Employee Benefit:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Defined contribution plan: Company's contributions due/payable during the year towards provident fund and Employee State Insurance is recognized in the profit and loss account. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at balance sheet date.

Assets/Liabilities	31.03.19	31.03.18
Present Value of obligation	20,68,567	12,08,039
Fair Value of Plan Assets	0	0
Net asset/(liability) in B/S	(20,68,567)	(12,08,039)
Expense Details		
Current Service Cost	4,13,713	2,41,608
Total Employer expense	8,60,529	(3,07,183)
Summary of Membership Data		
Number of employees	42	74
Total Monthly salary	20,08,687	11,03,217
Av. past service (years)	2	3
Av. Age at valuation date	36	37

Assets/Liabilities	31.03.19	31.03.18
Assumptions:		
Discount Rate	7.63%	7.89%
Rate of inc. in Comp. Levels	4.00%	4.00%
Return on Plan Assets (Actuals)	N.A.	N.A.
Average. Fut. service (yrs)	24	23
Changes in PV of Obligations:		
PV Obligation as at the start:	12,08,039	15,15,222
Acquisition adjustment -	0	0
Interest Cost	95,314	1,06,066
Past Service Cost -	0	0
Current Service Cost	4,13,713	2,41,608
Curtailment Cost / (Credit)	0	0
Settlement Cost / (Credit)	0	0
Benefits paid	0	0
Actuarial (gain)/ loss on oblig.	3,51,501	(6,54,856)
PV of Obligation as at the end:	20,68,568	12,08,039
Changes in the FV of Plan Assets		
FV of Plan Assets at the start:	0	0
Acquisition Adjustments	0	0
Exp. Return on Plan Assets	0	0
Contributions (net)	0	0
Benefits Paid	0	0
Actuarial Gain /(loss) on Assets	0	0
FV of Plan Assets at the end:	0	0
Fair Value of Plan Assets		
FV of plan assets at the start:	0	0
Acquisition Adjustments	0	0
Actual return on plan assets	0	0
Contributions	0	0
Benefits Paid	0	0
FV of Plan Assets at the end:	0	0
PV of Obligation as at the end:	20,68,567	12,08,039
Funded Status	(20,68,567)	(12,08,039)
Assets/Liabilities	31.03.19	31.03.18
ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain/(loss) - Oblig.	(3,51,501)	6,54,856
Actuarial gain/(loss) – Assets	0	0
Total gain / (loss) for the period	(3,51,501)	6,54,856
Actuarial gain / (loss) recognized	(3,51,501)	6,54,856
Unrecog. actuarial gains / (loss):	0	0

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Assets/Liabilities	31.03.19	31.03.18
AMOUNTS RECOG. IN B/S		
PV of Obligation as at the end:	20,68,567	12,08,039
FV of Plan Assets as at the end:	0	0
Funded Status	(20,68,567)	(12,08,039)
Unrecogn. Actuarial (gains) / losses	0	0
Net Asset / (Liab.) Recog. in B/S	(20,68,567)	(12,08,039)
EXPENSE RECOG. IN P AND L A/C		
Current Service Cost	4,13,713	2,41,608
Past Service Cost	0	0
Interest Cost	95,314	1,06,066
Expected Return on Plan Assets	0	0

Amount spent during the year on CSR Activity:

Sl. No.	CSR Activities	In Cash / Bank	Yet to be Paid in Cash	Total
1	RGA Swarna Jayanti Shiksha Nyaas	3,31,000	-	3,31,000
2	Thalassemia And Sickle Cell Society	35,700	-	35,700
3	Cattle Feeds	2,58,555	-	2,58,555

J. Balances with Trade Receivables, Trade Payables and loan and advances are subject to confirmation / Reconciliation.

K. In accordance with AS28 on “Impairment of Assets” the management during the year carried out exercise of identifying the assets that might have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31 March 2019.

L. Board of Directors have proposed dividend @ 3% which is subject to approval by Share Holders in AGM

M. Previous year figures have been regrouped/ rearranged wherever considered necessary.

N. The notes referred to in Balance Sheet and the notes forming part of Statement of Profit and Loss account are integral part of the accounts.

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 010129S

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10-06-2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN 00540787

Sd/-
Sailesh Gupta
Whole-time Director
DIN 00540862

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Chirag Partani
(Company Secretary & Compliance Officer)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Note 2.1 Share Capital

	(Value ₹)	
	As at March 31st, 2019	As at March 31st, 2018
Authorised Capital		
1,56,83,800 Equity Shares of ₹10/- each (Previous year 1,56,83,800 shares of ₹10 each)	15,68,38,000	15,68,38,000
30,00,000 3% Series A Redeemable Non Cumulative Preference Shares @ ₹10/- each. (Previous Year Nil)	3,00,00,000	-
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- (Previous Year 33,16,200 0 % Series A Redeemable Non Cumulative Preference Shares of ₹10/-)	3,31,62,000	3,31,62,000
Total	22,00,00,000	19,00,00,000
Issued Capital		
14400092 Equity Shares of ₹10/- each (1,09,00,092 Equity Shares of ₹10/- each)	14,40,00,920	10,90,00,920
30,00,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.	3,00,00,000	-
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each (Previous year 33,16,200 Shares of ₹10/-)	3,31,62,000	3,31,62,000
Total	20,71,62,920	14,21,62,920
Subscribed & Paid Up Capital		
1,32,33,430 Equity Shares of ₹10/- each (1,09,00,092 Equity Shares of ₹10/- each)	13,23,34,300	10,90,00,920
28,54,028 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.	2,85,40,280	-
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each (Previous year 33,16,200 Shares of ₹10/-)	3,31,62,000	3,31,62,000
Total	19,40,36,580	14,21,62,920

Reconciliation of No of Equity Shares at the beginning and at the end of the reporting period

	(Value ₹)			
Particulars	No. of Shares	Value	No. of Shares	Value
Issued, Subscribed & Paid Up Capital				
Equity Shares				
At the beginning of the period	10900092	10,90,00,920	1668100	1,66,81,000
Issued during the period	2333338	2,33,33,380	-	-
Convertible Preference Share Converted into Equity Shares	-	-	2,78,345	27,83,450
Bonus Issued during the period	-	-	89,53,647	8,95,36,470
At the closing of the period	13233430	13,23,34,300	10900092	109000920
3% Series A Redeemable Non Cumulative Preference Shares				
At the beginning of the period	-	-	208760	2,08,76,000
Issued /(Converted) during the period	2854028	28540280	(2,08,760)	(2,08,76,000)
At the closing of the period	28,54,028	2,85,40,280	-	-
0% Series A Redeemable Non Cumulative Preference Shares				
At the beginning of the period	3316200	3,31,62,000	3316200	3,31,62,000
Issued during the period				
At the closing of the period	3316200	3,31,62,000	3316200	33162000

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

	(Value ₹)			
Name of the Shareholder	%	No. of shares	%	No. of shares
Rupesh Kumar Gupta	27.49%	36,38,292	33.38%	36,38,292
Sailesh Gupta	18.62%	24,64,000	22.61%	24,64,000
Rupesh Kr./Shailesh Kr./Rakesh Kr.	17.63%	23,33,338	-	-
Rakesh Kumar Gupta	14.28%	18,90,000	17.34%	18,90,000
Parul Gupta	6.85%	9,05,968	8.31%	9,05,968
Sunita Gupta	6.13%	8,11,832	7.45%	8,11,832
Isha Gupta	4.87%	6,44,000	5.91%	6,44,000

Note 2.2 Reserves and Surplus

	(Value ₹)	
	As at March 31st, 2019	As at March 31st, 2018
A. Securities Premium Reserve		
At the beginning of the period	19,29,080	7,33,73,000
Add: During the period	4,66,66,760	1,80,92,550
Less: Bonus Issue	-	(8,95,36,470)
At the closing of the period	4,85,95,840	19,29,080
B. General Reserve		
Opening balance of General Reserve		
Add: Transferred from P&L Account during the year		
At the closing of the period		
C. Surplus in the Statement of Profit and Loss		
Opening Balance	8,39,46,474	2,56,71,343
Add: Profit for the period	8,21,62,079	6,48,15,187
Less: Corporate Social Responsibility	-	-
Less: Dividend Declared (inclusive of DDT)	-	65,40,055
Net Surplus in the Statement of Profit and Loss	16,61,08,554	8,39,46,474
Total (A+B+C)	21,47,04,394	8,58,75,554

Note 2.3 Long-term Borrowings

	(Value ₹)	
	As at March 31st, 2019	As at March 31st, 2018
A. Secured Loans		
I. Term Loan From Canara Bank	18,92,38,324	-
(Term Loan Refer Note a)		
II. Term Loan From Canara Bank	41,90,000	71,30,000
(Term Loan Refer Note b)		
III. Vehicle Loan		
Vehicle Loan From HDFC Bank (Refer Note c)	-	1,17,290
Vehicle Loan From Kotak Mahindra Prime Ltd. (Refer Note d)	36,21,593	43,77,466
Vehicle Loan From Canara Bank (Refer Note e)	6,20,055	8,03,946
Sub Total	19,76,69,972	1,24,28,702

- a) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Jun’2019 till Mar’ 2024.

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

- b) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb’ 2017 till Oct’ 2021.
- c) Loan taken from HDFC Bank is repayable in monthly installments till Jul’2019
- d) Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan’2023
- e) Loan taken from Canara Bank is repayable in monthly installments till Jan’2023

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
B. Unsecured Loans		
Unsecured Loans from Directors	2,77,67,185	1,19,67,185
Inter Corporate Deposit	4,30,40,000	4,30,40,000
Sub Total	7,08,07,185	5,50,07,185
C. Other Long-Term Liabilities		
Dues to Supplier	2,91,48,984	-
Sub Total	2,91,48,984	-
Total (A+B+C)	29,76,26,141	6,74,35,888

Note 2.4 Deferred Tax Liability (Net)

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Opening balance	21,91,089	40,76,754
Deferred tax for the year	1,26,08,661	(18,85,665)
Closing balance	1,47,99,750	21,91,089

Note 2.5 Long-term Provisions

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Provision for Gratuity	10,82,130	6,99,769
Total	10,82,130	6,99,769

Note 2.6 Short-term Borrowings

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
a) Working capital borrowings from Canara Bank (2.6 a)	14,94,36,015	14,49,59,553
b) Term loan from Canara Bank (Refer note 2.6 b)	5,00,00,000	-
c) Term loan from Canara Bank (Refer note 2.6 c)	29,40,000	29,40,000
d) HDFC Bank Car Loan (2.6 d)	1,17,290	3,30,475
e) Kotak Mahindra Prime (2.6 e)	7,17,886	9,45,865
f) Canara Bank Car Loan (2.6 f)	1,84,713	1,68,834
g) Term loan from Canara Bank installments due less than 12 months (Refer note 2.6 g)	-	47,81,250
	20,33,95,904	15,41,25,977

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

- a) (The above loan is secured by way of charge and stock, receivables and hypothecation of assets, apart from the personal guarantees of the Directors & their family members.)
- b) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Jun’ 2019 till Mar’ 2024.
- c) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb’ 2017 till Oct’ 2021.
- d) Loan taken from HDFC Bank is repayable in monthly installments till Jul’ 2019
- e) Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan’ 2023
- f) Loan taken from Canara Bank is repayable in monthly installments till Jan’ 2023
- g) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by six Directors of the Company. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb’ 2017 till Oct’ 2021.

Note 2.7 Trade Payables

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Trade payables	4,79,28,735	5,06,62,930
Net (increase)/decrease in inventories	4,79,28,735	5,06,62,930

Note: Out of the said amount NIL amount pertains to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information has been given in respect of such vendors to the extent they could be identified as Micro, Small enterprises on the basis of information available with the company on records.

Note 2.8 Other Current Liabilities

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Other Liabilities	4,23,58,467	3,94,51,153
Dividend Payable (inclusive of DDT)	-	65,40,055
Payable to Capital Goods Supplier	96,35,335	-
Total	5,19,93,802	4,59,91,208

Note 2.9 Short-term provisions

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
a) Provision for taxation	2,55,00,517	3,43,18,911
b) Provision for Gratuity	9,86,438	5,08,269
Total	2,64,86,955	3,48,27,180

Sl No	Description	GROSS BLOCK			DEPRECIATION			(Value ₹)	
		As on 01-04-2018	Additions		Total	Depreciation During the Year	Addl. Dep. on Plant and Machinery @20%	NET BLOCK	W.D.V as on 31-03-2019
			Before Sept.	After Sept.					
1	Land	2,23,980	-	-	2,23,980	-	-	2,23,980	
2	Building @ 10%	2,20,20,683	-	5,46,93,168	7,67,13,851	49,36,726	-	7,17,77,125	
3	Plant & Machinery @ 15%	8,81,88,309	12,39,448	25,62,11,207	34,56,38,964	3,26,30,005	2,58,69,010	28,71,39,949	
4	Plant & Machinery @ 40%	38,35,663	1,36,293	1,50,41,029	1,90,12,985	45,96,988	-	1,44,15,997	
5	Furniture @ 10%	-	-	5,94,279	5,94,279	29,714	-	5,64,565	
Total		11,42,68,634	13,75,741	32,65,39,683	44,21,84,059	4,21,93,433	2,58,69,010	37,41,21,616	

Note 2.10 Property, Plant and Equipment (PPE)

Sl No	Description	GROSS BLOCK				DEPRECIATION				(Value ₹)	
		As on 31-03-2018	During the Year Addition	During the Year Deletion	Total As on 31-03-2019	Up to 31-03-2018	Transfer	During the year	Up to 31-03-2019	As on 31-03-2019	As on 31-03-2018
1	Land	2,23,980	-	-	2,23,980	-	-	-	-	2,23,980	2,23,980
2	Building	4,64,70,796	5,46,93,168	-	10,11,63,964	2,37,15,064	-	22,84,299	2,59,99,363	7,51,64,601	2,27,55,732
3	Plant & Machinery	7,95,34,630	2,32,44,550	-	10,27,79,180	5,31,78,468	-	38,11,848	5,69,90,316	4,57,88,864	2,63,56,162
4	Pollution Equipments	27,83,692	68,82,730	-	96,66,422	16,84,430	-	1,79,263	18,63,693	78,02,729	10,99,262
5	Tools Components, Spare parts & Structural Steel	11,46,25,786	14,71,47,490	-	26,17,73,276	7,05,39,209	-	68,42,529	7,73,81,738	18,43,91,538	4,40,86,577
6	Electrical Equipment	6,31,00,593	8,41,76,685	-	14,72,77,278	4,83,48,271	-	40,73,310	5,24,21,581	9,48,55,697	1,47,52,322
7	Air Conditioner	3,52,249	-	-	3,52,249	1,40,018	-	29,549	1,69,567	1,82,682	2,12,231
8	Motor Vehicle	1,44,91,803	15,13,640	-	1,60,05,443	74,29,893	-	23,71,595	98,01,488	62,03,955	70,61,910
9	Office Equipments	3,69,032	9,93,291	-	13,62,323	2,72,997	-	1,46,975	4,19,972	9,42,351	96,035
10	Rolls	1,41,31,655	79,66,659	-	2,20,98,314	90,44,934	-	16,20,556	1,06,65,490	1,14,32,824	50,86,721
11	Computer	4,25,958	3,27,933	-	7,53,891	3,49,052	-	1,34,251	4,83,303	2,70,588	76,906
12	Furniture	-	5,94,279	-	5,94,279	-	-	21,704	21,704	5,72,575	-
13	Solar Panel	-	3,75,000	-	3,75,000	-	-	27,001	27,001	3,47,999	-
Total		33,65,10,173	32,79,15,424	-	66,44,25,598	21,47,02,336	-	2,15,42,880	23,62,45,216	42,81,80,382	12,18,07,838

Work in Progress

Sl No	Description	Previous Year Total					(Value ₹)	
		As on 31-03-2017	During the Year Addition	During the Year Deletion	Total 31-03-2018	Up to 31-03-2017	Transfer	As on 31-03-2017
		30,66,80,634	3,05,17,557	6,88,018	33,65,10,173	18,95,74,843	6,53,617	2,57,81,110
Work in Progress					5996402	21,47,02,335.71		12,18,07,838
								11,71,05,792

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Note 2.11 Long term loans and advances

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Deposit with Govt. Authorities	1,26,708	1,26,708
Rent deposit	42,000	42,000
Total	1,68,708	1,68,708

Note 2.12 Other Non Current Assets

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
IPO Expenses	15,40,900	13,95,500
Total	15,40,900	13,95,500

Note 2.13 Inventories

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Raw material	11,24,62,185	7,72,92,684
Finished Goods	9,58,39,482	9,64,27,392
Stores & Consumables	18,18,17,650	14,73,89,973
Total	39,01,19,317	32,11,10,049

Note 2.14 Trade Receivables

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Outstanding for a period exceeding six months	86,11,534	72,22,604
Others	9,62,46,333	9,59,40,006
Total	10,48,57,867	10,31,62,610

Note 2.15 Cash and Bank Balance

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Cash on Hand	1,34,847	9,43,334
Balance with Bank		
On Current Accounts	3,96,63,716	15,80,018
Term Deposit Accounts	1,97,300	4,66,300
Note : Term Deposits are held as Margin for BG		
Total	3,99,95,864	29,89,652

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Note 2.16 Short-term loans and advances

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
(Unsecured and considered good)		
Advance Income tax	1,30,00,000	68,00,000
Advance to suppliers	26,55,836	48,32,474
GST Receivable	1,81,02,176	-
Advance to Employees	6,07,040	-
Deposit with APCPDCL (Additional Consumption Deposits)	1,20,75,895	56,45,528
Advance to Capital Goods Suppliers	2,82,99,664	44,41,727
Total	7,47,40,611	2,17,19,729

Note 2.17 Other current assets

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
I.T.Refund Receivable	31,87,886	31,87,886
Insurance Claim Receivable	15,64,289	7,23,579
M.A.T. Entitlement	52,27,382	-
Other Receivable	17,600	2,77,761
Prepaid Exp.	8,22,622	9,71,531
Excise Duty Paid Under Protest	7,125	-
Interest Accrued On Deposit	14,117	-
Sales Tax Receivable	84,732	84,732
TDS Receivable	2,87,743	2,77,724
Gratuity Fund Deposit into LIC	12,08,038	-
T.C.S. Receivable	29,207	98,815
Total	1,24,50,742	56,22,028

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2019

Note 2.18 Revenue from Operation

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Sales		
Sales of Manufacturing goods	1,57,64,33,608	1,22,73,34,840
Sales Raw Materials	-	62,18,419
Sales Trading	-	65,57,215
Gross Sales & Services	1,57,64,33,608	1,24,01,10,474
Less: Taxes & Duties	24,04,72,930	18,92,21,444
Net Sales	1,33,59,60,678	1,05,08,89,030
(B) Other Income		
Commission Received	-	-
Exchange Fluctuation	4,082	2,467
Interest Received	31,91,031	27,78,051
Net Other Operating Income	31,95,113	27,80,518
Total Revenue from Operation (A+B)	1,33,91,55,791	1,05,36,69,548

Note 2.19 Cost of materials consumed

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Raw Materials Consumed		
Opening Stock of Raw Material	7,72,92,684	7,96,50,196
Add: Purchase	84,27,92,043	59,60,79,038
	92,00,84,727	67,57,29,234
Less: Closing stock of Raw Material	11,24,62,185	7,72,92,684
(A) Raw Material Consumed	80,76,22,542	59,84,36,550
(B) Consumable Consumed		
Opening Stock of Consumable	14,73,89,973	9,27,85,161
Add: Purchase	6,77,42,972	6,34,44,625
	21,51,32,945	15,62,29,786
Less: Closing stock of Consumable	18,18,17,650	14,73,89,973
(B) Consumable Consumed	3,33,15,295	88,39,813
Total Cost of materials Consumed (A+B)	84,09,37,837	60,72,76,363

Note 2.20 Other Purchases

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
A) Sales		
Purchase Trading	-	54,11,413
Total Stock-in-Trade	-	54,11,413

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2019

Note 2.21 Changes in inventories of work-in-process & finished goods

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Opening Stocks		
Finished goods	9,64,27,392	8,25,78,220
Total - A	9,64,27,392	8,25,78,220
(B) Closing stocks		
Finished goods	9,58,39,482	9,64,27,392
Total - B	9,58,39,482	9,64,27,392
	587910	(13849172)

Note 2.22 Employee benefit expenses

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Employees remuneration and benefits	3,31,30,162	2,21,82,486
Contribution to PF/ESI	6,95,810	4,76,657
Gratuity Exp	8,60,530	12,08,038
Remuneration to Managerial personnel	1,96,97,500	80,25,000
Staff welfare expenses	42,80,199	4,45,801
Total Employee Benefit Expenses	5,86,64,201	3,23,37,982

Note 2.23 Finance Costs

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Interest on Term Loans	19,50,119	24,54,539
Interest on Vehicle Loan	4,87,738	1,44,668
Interest on Working Capital	1,76,51,617	1,84,72,248
Other Financial Charges	10,33,788	8,41,501
LC Commission	1,21,28,764	68,34,734
Total Finance Cost	3,32,52,026	2,87,47,690

Note 2.24 Other expenses

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Power & fuel	25,18,60,588	25,99,10,807
Job Work Charges	-	-
Repairs & Maintenance :		
Plant & Machinery	16,11,992	5,74,195
Building		
Vehicles	3,45,668	2,17,776
Other Assets	71,251	95,300
Other selling & Distribution expenses	42,18,632	11,04,407
Travelling & Conveyance	9,73,830	6,91,162
Insurance	9,06,455	9,08,624
Rent	11,80,000	11,04,800
Rates & Taxes (Excluding Taxes on Income)	11,11,306	19,64,326

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2019

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Remuneration to auditors :		
Audit Fee	1,08,000	1,00,000
Tax Audit Fee	32,000	30,000
Certification Fee /Taxation matter	60,000	57,000
Communication Expenses	3,01,628	3,90,070
Professional consultancy	24,25,879	4,11,577
Corporate Social Responsibility	6,25,255	-
Total Other Expenses	26,58,32,484	26,75,60,044

Note 2.25 Exceptional Items

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Profit on Sale of Assets	-	1,52,599
Total	-	1,52,599

Note 2.26 Tax expenses

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Current Tax	2,02,73,135	3,43,18,911
Current tax expenses	52,27,382	29,17,397
Mat Entitlement Paid/Utilised		
(A) Current tax	2,55,00,517	3,72,36,308
(B) Deferred Tax	1,26,08,661	(18,85,665)

Note 2.27 Contigent liabilities & Commitments (to the extent not provided for)

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
1) Contigent Liabilities :		
a) Claims against the Company not acknowledged as debts	351249	351249
b) Guarantees	131000	-
Note : The company does not force any liability arising out of the above mentioned liabilities. Therefore the company is not making any provision for the same.		
Total	4,82,249	3,51,249

NOTICE

NOTICE is hereby given that the **12th Annual General Meeting** of the Members of **Hariom Pipe Industries Limited (Formerly Hari Om Concast and Steels Private Limited)** will be held on Monday, the 30th day of September, 2019, at 04.00 P.M at the Registered Office of the Company situated at 3-4-174/12/2, 1st Floor, Samarpan, Lane beside Spencer’s, Pillar No. 125, Attapur, Hyderabad-500048, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31 March, 2019 along with the Report of the Directors and the Auditors there on and in this regard pass the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended 31 March, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To declare dividend of ₹0.70/- per Equity Share of ₹10/- each to the shareholders for the Financial Year 2018-19 and in this regard pass the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** a Dividend at the rate of ₹0.70/- (Seventy Paisa Only) per Equity Share of ₹10/- (Ten Rupees) each fully paid-up of the Company be and is hereby declared for the Financial year ended 31 March, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the Financial year ended 31 March, 2019.

3. To appoint Smt Sunita Gupta, who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary resolution**.

“**RESOLVED THAT** pursuant to provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta (DIN: 02981707), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors for the financial year ending 31 March, 2020 and in this regard pass the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2019-20 to M/s. Seshadri & Associates., Cost Accountants (Regn.

No 101476), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31 March, 2020, amounting to ₹55,000/- (Rupees Fifty Five thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.

BY ORDER OF THE BOARD
For Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 31.08.2019

Notes:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the act”), relating to the Special Business to be transacted at the Annual General Meeting (“Meeting”) is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than Ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Attendance slip, proxy form are Annexed to the Report.
5. In terms of provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta, Director, retire by rotation at the meeting. The Board of Directors of the Company commend her respective re-appointment and the details of Director retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the “Annexure to the Notice.
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7 May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors. who were appointed in the Annual General Meeting held on 29 September, 2017.

7. Shareholders/ Proxies/ Authorised Representative are requested to bring necessary details of their Shareholding, attendance slip(s) and copies of annual report to the annual general meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.

8. The Dividend on Equity shares, if Declared at the meeting, will be credited/ dispatched within thirty days from the conclusion of the meeting to those members whose names appears on the Companies register of members on the record date fixed for the purpose.

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item No. 4:

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad to conduct the Audit of the Cost records of the Company at a remuneration of ₹55000/- (Fifty Five Thousand Only) for the Financial year ending 31 March, 2020.

In Accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending 31 March, 2020 by passing an ordinary resolution as set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

BY ORDER OF THE BOARD
For Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 31.08.2019

Annexure to the Notice dated 31 August, 2019
Details of Director retiring by rotation / seeking re-appointment at the meeting.

Name of the Director	Smt. Sunita Gupta
Date of first appointment	01.10.2014
Date of birth/age	31.12.1956
Expertise in specific functional areas	She has more than 3 years of experience in steel industry. As a Non Executive Director she is responsible for providing her expertise for growth and expansion of the Company.
Educational qualification	Under Graduate
Chairman/member of the committees of board of Directors of the company	1. Member of Nomination and Relationship Committee. 2. Chairperson of Stakeholder Relationship Committee.
List of Directorships (excluding private limited), Committee Chairmanship, Membership held in other companies as on date	NIL

Notes

[illegible]

CORPORATE INFORMATION

Board of Directors

Pramod Kumar Kapoor
Chairman and Independent Director

Rupesh Kumar Gupta
Managing Director

Sunita Gupta
Non-executive Director

Sailesh Gupta
Whole-time Director

Santosh Kumar Rathi
Independent Director

Registered Office

Hariom Pipe Industries Limited
SAMARPAN, 3-4-174/12/2
1st Floor, Lane beside Spencer's,
Pillar No.125, Attapur, Hyderabad,
Telangana - 500 048, INDIA.
Phone: +91 040-24016101
website: www.hariompipes.com
Info: info@hariompipes.com

Corporate Identity Number

U27100TG2007PTC054564

Company Secretary

Chirag Partani
Company Secretary and
Compliance Officer

Registrar and Share Transfer Agents (RTA)

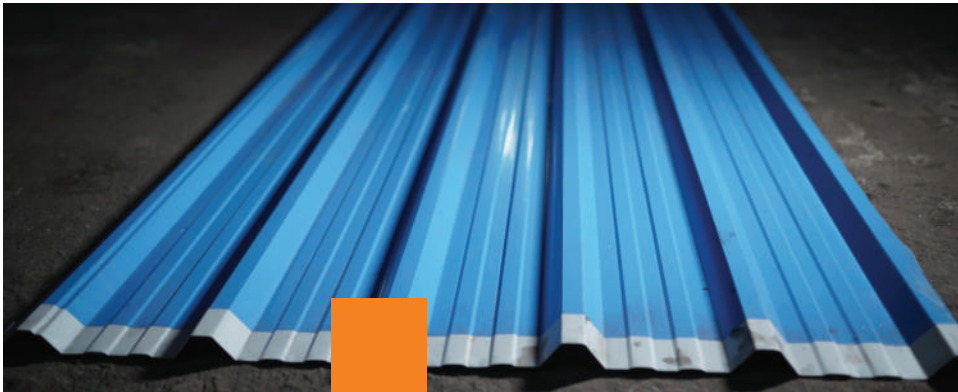
Bigshare Services Private Limited
Flat 306, Right Wing 3rd Floor,
Opp Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
Hyderabad- 500 082, Telangana

Corporate Identity Number

U99999MH1994PTC076534

Bankers

Canara Bank
MID Corporate Branch,
5-9-22/1/4C & 4D, 1st Floor,
Damayanthi Chambers,
Opposite to New MLA Quarters,
Hyderabad
Phone: 040-23436954
email id: cb4926@canarabank.com



HARIOM PIPE INDUSTRIES LIMITED

Samarpan, 3-4-174/12/2

1st Floor, Lane beside Spencer's,
Pillar No.125, Attapur, Hyderabad,
Telangana - 500 048, INDIA

PHONE: +91 040-24016101

WEBSITE: www.hariompipes.com

INFO: info@hariompipes.com

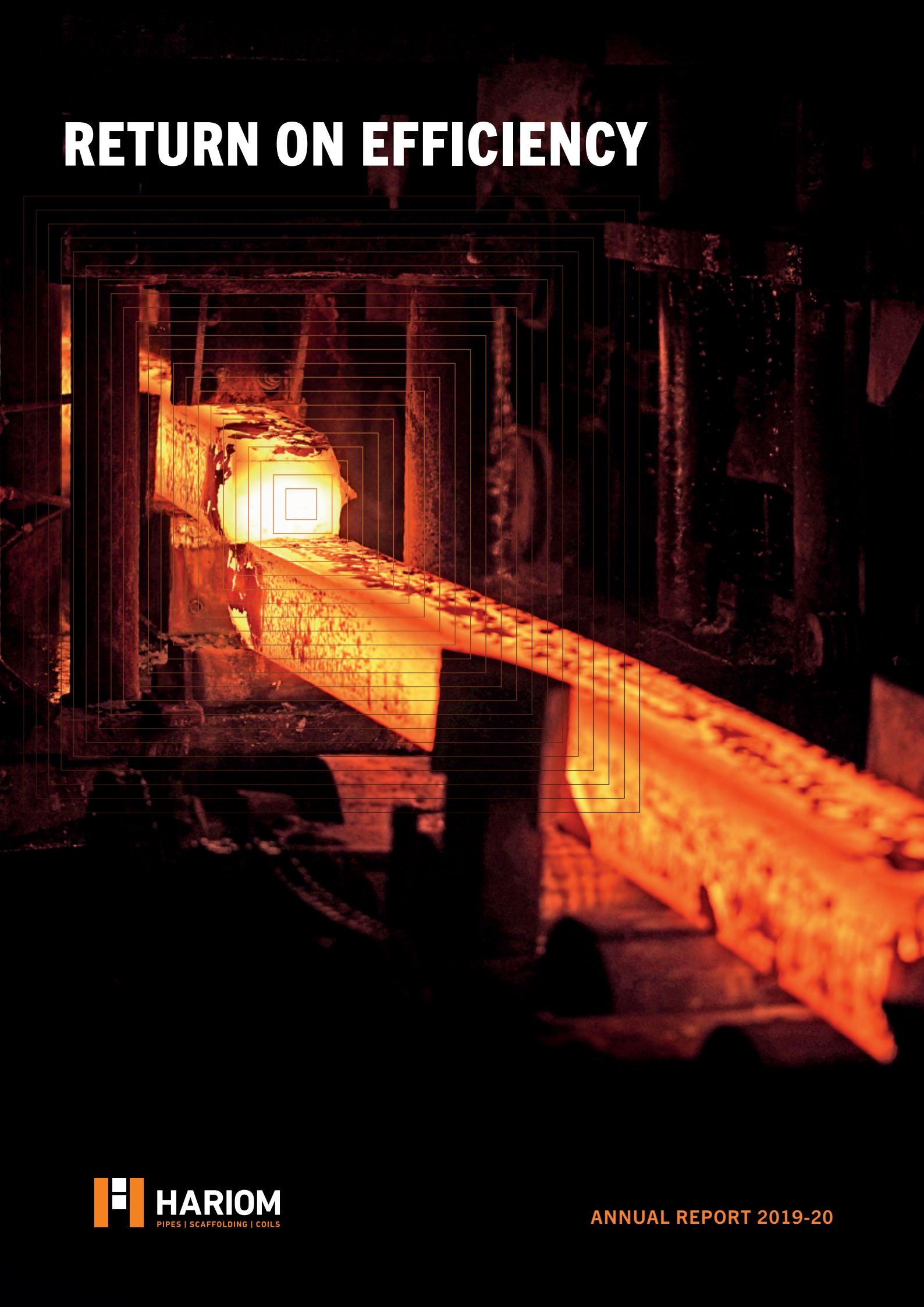


Hariom Pipes



Hariom Pipes

RETURN ON EFFICIENCY



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- 03 Our presence
- 04 Our business universe

Strategic overview

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RETURN ON EFFICIENCY

Since inception, efficiency and excellence have been our second nature. Ingrained into our processes across the value chain, they have given us a significant edge in the market. In 2019-20, our sustained commitment to efficiency and excellence powered our endeavour to future-proof our operations, bolster our environmental and social focus and make our governance more robust.

Efficiency reflected through performance



Financial

20.36%

Increase in revenue on a y-o-y basis

1.76%

Increase in PAT on a y-o-y basis



Operational

14.41%

Increase in capacity utilisation on a y-o-y basis

49.47%

Increase in production on a y-o-y basis



Environment

2.56%

Reduction in carbon footprint on a y-o-y basis

2.13%

Reduction in energy consumption on a y-o-y basis



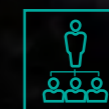
Social

48+ hrs

Average man-hours of training provided to every employee

38%

Proportion of distributors associated with us for five years or more



Governance

5

Board members

8

Leadership team

Company overview

GROWING AND LEARNING ALONG THE WAY

The legacy of Hariom Pipe Industries Limited (HPIL) can be traced back to 2007, when we initiated our journey as part of the prestigious Hariom Group. Since then, we have grown consistently, securing our position in South India as a premium manufacturer of iron and steel products, catering to diverse industrial needs across multiple sectors.

We offer customers a diversified portfolio of more than 100 products across five product categories, namely, mild steel pipes and tubes, scaffolding systems, hot rolled skelps and coils, mild steel billets and roofing sheets. Our quality management systems are validated with ISO 9001:2015 and IS 2830:2012 certifications, ensuring service to our customers with best-in-class products.



Vision

To be one of the top-notch iron and steel suppliers in our segment, catering to industry needs



Mission

To develop our nation and make it a better place to live by building a robust economy coupled with strong infrastructure.



TOTAL CAPACITY

2,43,600 MTPA*



DISTRIBUTION NETWORK SIZE

1,388



TOUCHPOINTS ACROSS
SOUTHERN & WESTERN MARKETS

1,500

* MTPA: metric tonnes per annum

Our presence

Our primary markets in the country are Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. We have been consistently focusing on deepening our footprint in the South Indian markets. To strengthen our distribution network in the region, we have added to our pool of distributors in markets where our presence so far had not been robust.

TS Telangana

DEALERS

697

DISTRICTS

23

AP Andhra Pradesh

DEALERS

274

DISTRICTS

12

KA Karnataka

DEALERS

323

DISTRICTS

24

TN Tamil Nadu

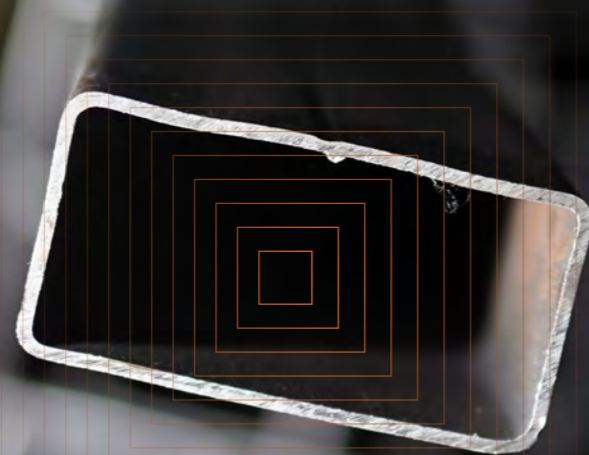
K Kerala

DEALERS

82

DISTRICTS

27



Company overview Contd..

Our business universe

Product suite



Mild steel (MS) pipes and tubes

Square hollow section

Superior quality pipes with high tensile strength are available in various sizes from 20x20 mm to 100x100 mm in length and 2 mm to 4 mm in thickness.

Rectangular hollow section

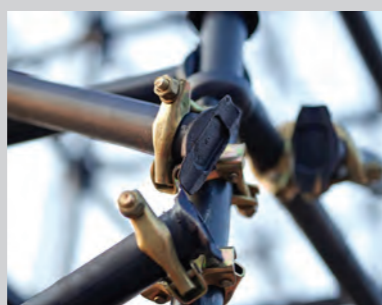
A range of durable rectangular pipes available in various sizes from 40x20 mm to 122x61 mm and 2 mm to 4 mm in thickness.

Circular hollow section

Corrosion-resistant round steel pipes, which can be customised as per customer requirements. The standard pipes are available in various sizes from 15 mm to 110 mm and 2 mm to 4.5 mm in thickness.

Pre-galvanised steel pipes

Durable pre-galvanised steel pipes, which are customised as per customer requirements. The standard pipes are available in various sizes from 12.5 mm and 203.2 mm in outer diameter, 0.8 mm to 3 mm in thickness and 5.5 metres to 6 metres in length.



Scaffolding systems

We manufacture temporary work platforms which find downstream application at construction sites aiding in construction activities above the ground level. These products are generally customised as per customer requirements.



Hot rolled (HR) skelps/coils

We manufacture best-in-class durable HR skelps and coils of varied shapes and sizes.



Mild steel (MS) billets

We service our customers with an array of quality billets with various customisation options, ranging from dimensions to specific requirements.



Roofing sheets

We produce durable and corrosion-resistant roofing sheets with a range of geometric designs, which can be customised as per customer requirements.

Downstream industries



REAL ESTATE



INFRASTRUCTURE



TEXTILE



CHEMICAL

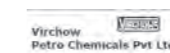


AGRICULTURE AND IRRIGATION



MOTORCYCLE AND BICYCLE

Client base



Message from the Managing Director

RISING TO THE CHALLENGE



In the year under review, we focused on backward integration through the acquisition of a sponge iron unit, which is utilised in the manufacture of billets, and which, in turn, facilitates the manufacture of pipes. The backward integration gave us an appreciable cost benefit and better control on the entire value-chain. This will help us ensure quality at every stage, given the assurance of improved quality levels and a quicker turnaround owing to the reduction in the time spent on sourcing materials.

Rupesh Kumar Gupta
Managing Director



TOTAL REVENUE

₹ 161.19 crs



EBITDA MARGIN

14.86%

Dear Stakeowners,

I am delighted to present to you our Annual Report for the year 2019-20. In our 13th report, we saw remarkable growth this fiscal despite the headwinds.

The financial year 2019-20 was marked by several challenges. The escalating trade war between the United States and China posed several challenges for the Indian steel industry as the country started anticipating steel dumping by China. The last few days of the fiscal saw unprecedented turmoil, with the onset of the Coronavirus pandemic that triggered a worldwide lockdown. In India, the lockdown saw the manufacturing sector coming to a standstill and resulted in a drastic economic slowdown in the fourth quarter. Together, these factors resulted in sectoral and economic headwinds.

An upbeat performance

Despite the circumstances, our revenues stood at ₹161.19 crores in 2019-20 compared to ₹133.92 crores in 2018-19, registering a y-o-y growth of 20.36%. HPIL's Profit After Tax for the fiscal stood at ₹8.36 crores compared to ₹8.22 crores in 2018-19, registering a y-o-y growth of 1.76%. Further, our EBITDA margin for the fiscal under review stood at 14.86%, recording a y-o-y growth of 193 bps over 2018-19.

In the previous fiscal, we undertook a massive expansion across our product verticals, which was funded by a term loan. In 2019-20, we took the advice of bankers and conserved cash by foregoing the disbursement of dividends.

Ensuring greater efficiency

In the year under review, we focused on backward integration through the acquisition of a sponge iron unit, which is utilised in the manufacture of that facilitates the manufacture of pipes. The backward integration gave us an appreciable cost benefit and better control on the entire value-chain. This will help us ensure quality at every stage, given the assurance of improved quality levels and a quicker turnaround owing to the reduction in the time spent on sourcing materials. We also embarked on various debottlenecking initiatives in the year to improve our capacity utilisation, reduce manufacturing costs and decrease plant turnaround time, all of which will ensure the sustainability of our business in the foreseeable future. On the back of these efficiencies, we successfully reduced our power consumption quantum in 2019-20 by 2.13% y-o-y.

Future focus

Given the government's incremental focus on 'Make in India' and the policy boost received by the domestic steel industry, the industry is expected to gain traction in the near future. In this

favourable environment, our ability to cater to various needs of our customers and the steady scale-up across our product verticals have helped us firmly position ourselves as a premium steel product manufacturer.

On behalf of the Board of Directors, I thank our customers, employees, channel partners and communities for their continued trust and support. I assure our stakeholders that the following days will see us grow apace in South India, increasing our operational efficiency, ensuring product quality, enhancing customer-centricity and nurturing a culture of excellence.

Regards,

Rupesh Kumar Gupta
Managing Director

Response to COVID-19

ADJUSTING TO THE NEW NORMAL

In the midst of the uncertainty spelled by the outbreak of the pandemic in the last quarter of 2019-20, we, at Hariom Pipes, recalibrated our strategies and came out stronger, securing the health and safety of our employees and supply chain partners while ensuring business continuity.

Like most other countries in the world, India saw the spread of the Coronavirus at a rapid pace from March 2020. To contain the spread of the virus, most countries across the world went into voluntary lockdowns. India announced a lockdown on 22 March, 2020, which had a cascading effect on the supply chain and disrupted business functions. Production also came to a standstill owing to plant shutdowns in the last few days of the fiscal.

At Hariom Pipes, we not only focused on the health and safety of our employees and the supply chain partners but also ensured business continuity.

Health and safety

In keeping with government guidelines, we enforced several safety parameters:

- Safe distance of six feet maintained between employees in both the corporate office and plants
- Factories and offices sanitised on regular intervals
- Thermal checks done at the factory gate and the corporate office
- Health and hygiene awareness training for employees and the channel partners

As a result of our sustained focus on health and safety, our fatality rate due to COVID-19 stood at zero.



Business continuity

We resumed work in our manufacturing units from May. In order to sustain business operations, we undertook the following measures:

- During the lock down we have helped our factory employees with advance salaries and basic necessities, ensuring employee well-being
- Retained channel partners and ensured that we handheld our suppliers and dealers to sail through the difficult time
- Undertook several process strengthening initiatives during the lockdown
- Provided food to the migrant labourers which earned us their loyalty

As a result of the measures taken to keep employees motivated and strengthen our processes, we were able to resume production, and in no time, we reached production quantum of pre-COVID level.

Driving efficiency

RIGHT STEPS IN THE RIGHT DIRECTION

Our focus this year has been on increasing our operational efficiency and making us more cost-competitive. Steps taken towards the backward integration of our manufacturing process have ensured lower costs and a higher bottom line.



Cost and quality control

We endeavoured to integrate our business processes, as a result of which we have managed to ensure a 100% utilisation of the self produced billets in the production of pipes. In the year under review, we also acquired a sponge iron unit, which provides the raw material used in the production of billets. We have thus managed a complete backward integration of our manufacturing process. This has not only improved control on costs but also the quality of the finished products.



Sizing it right

In the financial year, we increased the size of our coil strips, saving time and effort needed to cut them to customisable strips and reducing the volume of scrap resulting from the process. Lesser scrap translated into less wastage, which boosts our sustainability mission.



Future-ready

During the year, we strengthened process automation in our rolling mills and pipe manufacturing plant, reducing manual intervention. This gives us greater control on quality and time management.



Return on brand recall

Positioned as a premium manufacturer of steel and iron products, we focused extensively on advertisements on the various platforms, and T-shirt and accessory (diary, calendar, books) branding. We also organised brand campaigns for specific geographies to gain greater recall value and strengthen our presence in specific markets.

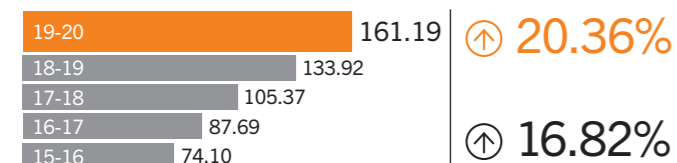
Key performance indicators

PERFORMING WITH CONSISTENCY
AND INTEGRITY

Profit and loss indicators

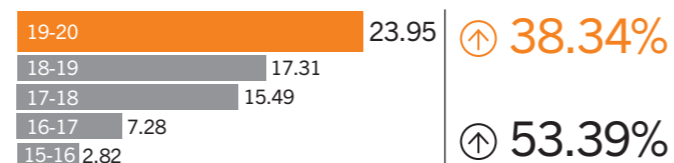
Revenue

(₹ in crore)



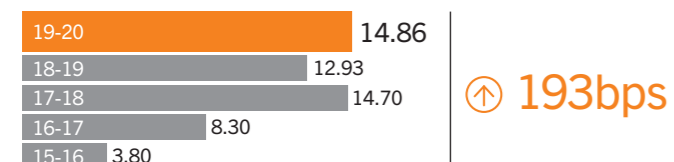
EBITDA

(₹ in crore)



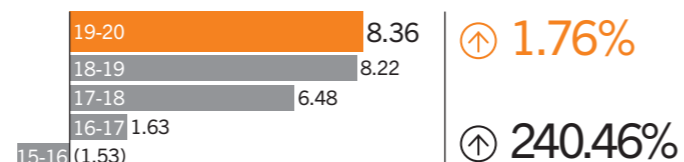
EBITDA margin

(%)



PAT

(₹ in crore)



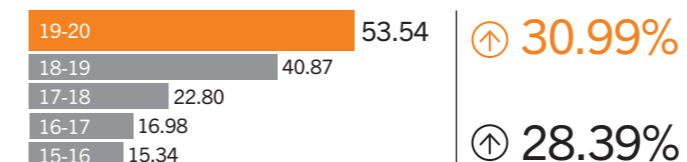
↑ y-o-y growth

↑ 5-year CAGR

Balance Sheet indicators

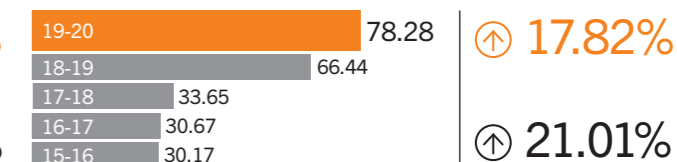
Net worth

(₹ in crore)



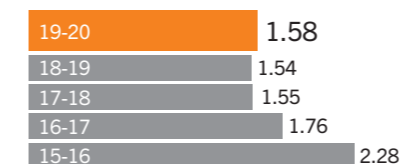
Gross block

(₹ in crore)



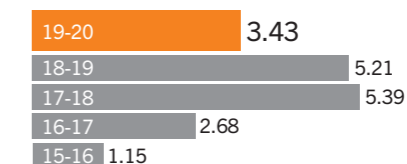
Debt-equity ratio

(X)



Interest coverage ratio

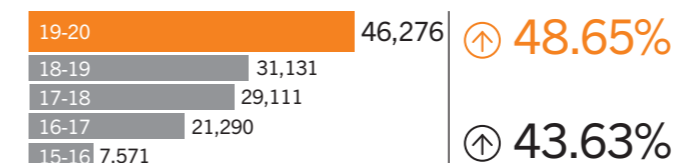
(X)



Operational indicators

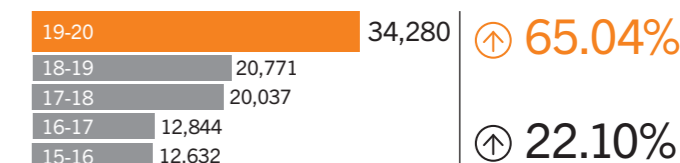
Induction furnace production

(Metric tonnes)



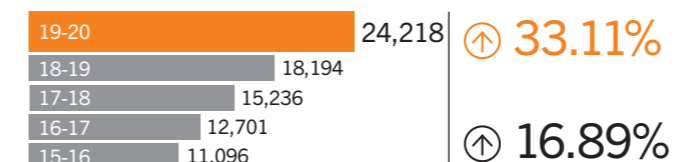
Rolling mill production

(Metric tonnes)



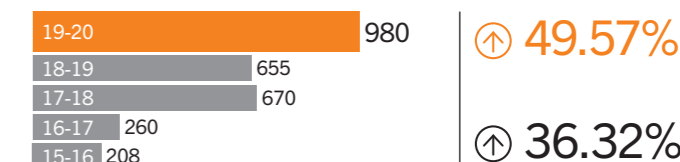
Pipe mill production

(Metric tonnes)



Scaffolding production

(Metric tonnes)



ESG priorities - Environment

THOUGHTFULLY USING NATURAL RESOURCES

Being a responsible manufacturer, we constantly strive to minimise our environmental footprint through optimum utilisation of resources such as fuel, electricity, water, and raw materials.

We ensure that our operations are environment-friendly. We have been undertaking specific measures to reduce emissions, improve biodiversity and manage water efficiently.



Water management

This year saw us install a Reverse Osmosis (RO) plant. This plant is equipped with the latest cutting-edge technology to treat and purify waste water from the plant. This treated water is for captive consumption. We have also installed a water harvesting process around our factory premises, reducing our consumption of freshwater

1.5%

Reduction in freshwater consumption in 2019-20

Emissions

During the year under review, we have installed two pollution control equipment, ensuring the reduction of almost 90% of the smoke generated from manufacturing. These equipment also help in filtering dust and collect the particles arising from the manufacturing process, the carbon content of which is then used to manufacture printer cartridge, thus, ensuring zero carbon emission into the atmosphere. We have also installed water sprinklers in our plant to reduce the soil dust arising due to the movement of trucks in and out of the factory.

90%

Reduction in smoke generated from manufacturing in 2019-20



Biodiversity

Telangana Haritha Haram scheme is a large-scale tree-planting programme implemented by the Telangana government. The state government has spent ₹4,572.94 crores since 2015 and has successfully planted 203 crores saplings across the state till date.

At Hariom Pipes, we have been consistently undertaking initiatives such as planting trees and increasing the green cover in areas surrounding the factory under the flagship programme.

250

Number of saplings planted by Hariom Pipes in 2019-20



ESG priorities - Social

FORGING A DEEP SOCIAL CONNECT

Our long-term, mutually beneficial relationship with key stakeholders such as our employees, customers, suppliers and communities helps establish us as a socially responsible organisation.

We focus on the consistent improvement in employee productivity through various employee engagement initiatives and training programmes. A diverse product offering, consistent quality, customisation options and timely deliveries have earned us the loyalty of our customers and established us as a preferred premium steel product manufacturer in a substantially expansive region in the country. Our community commitment, demonstrated through our sustained efforts in the realms of healthcare and animal welfare, has enhanced our social relevance and given us wider acceptability as a responsible brand.

Enhancing customer-centricity

Since inception, our focus has been to create a customer-centric brand, which offers a superior product experience to our clientele. Our customer commitment is reflected through:

- On-time delivery
- Prompt response on product concerns
- Consistency in product performance
- Benchmarking products to global standards
- Enduring relationships with customers

36%

Proportion of repeat clients in 2019-20

Objective

Understanding customer requirements and handholding them wherever required.

Initiatives

- We have planned to commercialise a new rolling mill for manufacturing grills by 2021, helping us emerge as a one-stop shop for building solutions
- Maintained lasting relationships with our customers, dealers and distributors by organising dealer and distributor meets

Achievements

- We roped in new clients in the year under review



One-stop shop

We have planned an upgradation of our existing rolling mill to section rolling mill in the next fiscal, producing an array of products such as square rods, flat rods, segments and channels, among others. This would aid us in expanding our product portfolio and help us cater to all the customer requirements under one roof, thus helping Hariom Pipes emerge as a one-stop shop for building solutions. We believe that our initiative would aid the Government of India's incremental focus on Atmanirbhar Bharat. We hope to offer a unique value proposition to our customers by saving their time and reducing their logistics costs.

ESG priorities - Social



Nurturing a culture of excellence

People-centricity is one of the biggest focus areas at Hariom Pipes. We believe in equipping our employees with the relevant skills and abilities. During the year under review, we organised training programmes to enhance the technical and interpersonal skills of our employees, thus helping them grow their business and leadership skills, customer orientation, and values.

Objective

Creating a work culture which aligns employees' personal goals with the organisation's goals.

Initiatives

- We focused on creating a diverse workforce by recruiting talents from different sectors
- We focused on rigorous training sessions on both skill development and safety fronts
- We ensured lower attrition rates by handholding our employees and training them, motivating them and creating a positive and enabling work culture
- We focused on health, safety and environment training for our employees, ensuring zero fatalities from both accidents and COVID-19

Achievements

- Our team size have grown by 20% on an annual basis
- Proportion of women in the workforce at the corporate office stood at a healthy ~15% in the year under review
- The proportion of women in the senior management stood at 20%

48+

Average hours spent on training

20%

Annual increase in employee strength

Promoting community commitment

As a member of society with certain social obligations, our corporate social responsibility (CSR) journey focuses on empowering communities around us. Being a prominent industry player, we understand our responsibility to contribute to the betterment of society, with special focus on children's health and education.

We have framed our CSR policy in line with the provisions of the Companies Act, 2013 to work towards the betterment of weaker sections of society.

Not only for the underprivileged, we have extended our efforts to ensure animal welfare to aid in the holistic development of the community.

Objective

We believe that CSR bridges the disconnect between business and the community, adding impetus to value creation for a large section of our stakeholders.

Initiatives

- Ensuring animal welfare by contributing towards cattle feed in Hyderabad
- Contributing towards the improvement of the health infrastructure and the PM Cares Fund during the COVID-19 pandemic

Achievements

- Contributed ₹6,25,470 towards animal welfare in 2019-20
- Contributed ₹5,65,080 towards health initiatives and fighting the pandemic

₹11,90,550

Amount spent on CSR, 2019-20



ESG priorities - Governance

ENRICHED BY A RESPONSIBLE LEADERSHIP

AT Hariom Pipes, we strive to achieve the highest standards of governance backed by our values, our efforts at promoting ethical business and our targeted policies. Our idea of good governance is to promote transparency, accountability, awareness and equity in all aspects of our operations.

Our robust governance framework is centred around an effective Board of Directors and Board committees. The senior management reports to the Board of Directors on a periodic basis. The Board maintains an oversight over functions and ensures the seamless operation of business.

Our compliance with statutory norms is ensured by the Audit Committee. We have also embarked on a digital journey with the adoption of process automation in certain functions.

Board of Directors

We have five Board members, including two Independent Directors. Our Board brings to the table diverse skills and expertise in the fields of sales and marketing, business management, leadership and governance, legal and regulatory matters, finance, accounts and risk management, and relevant technologies. The Board meets every quarter to review the organisation's quarterly performance.



Pramod Kumar Kapoor
Chairman and Independent Director
M C M M



Rupesh Kumar Gupta
Managing Director
C M



Sailesh Gupta
Whole-time Director
M



Sunita Gupta
Non-Executive Director
C M



Santosh Kumar Rathi
Independent Director
C M M

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee

Management team



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-time Director



Rakesh Kumar Gupta
Investment and Technology Advisor



Amitabh Bhattacharya
Chief Financial Officer



Chiragh Partani
Company Secretary and Compliance Officer



Parul Gupta
Chief Human Resource Officer



Isha Gupta
Chief Customer Officer



Ashish Agarwal
Marketing Head

Management discussion and analysis

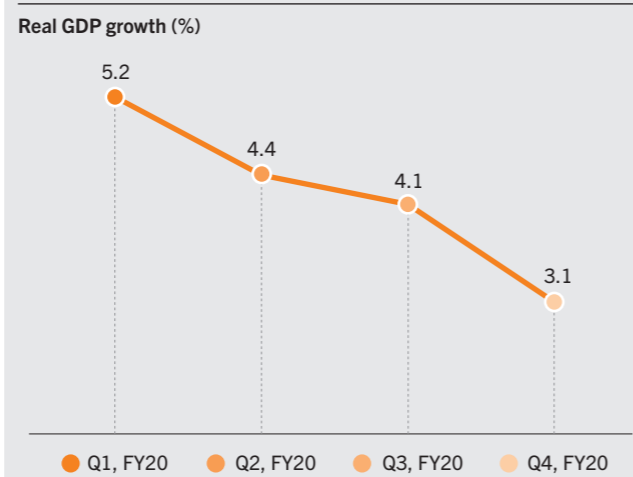
Indian economic review

The sluggishness from the previous fiscal was carried forward and the Indian economy recorded a GDP growth of 4.2% in 2019-20, compared to 6.1% in 2018-19. Retail inflation climbed to a six-year high of 7.59% during the fiscal before settling at 5.84% in March 2020. The nominal per capita net national income was estimated at ₹134,226 in 2019-20 compared to ₹126,521 in 2018-19, registering a y-o-y growth of 6.1%.

The Indian rupee (₹) depreciated by as much as 9.34% by the last day of 2019-20 and stood at ₹75.60 against the US dollar, compared to ₹69.14 in the last day of 2018-19. In the year under review, the Indian currency swung between ₹69.16 and ₹76.39 against the US dollar during 2019-20.

In FY 2019-20, India emerged as the fifth-largest economy in the world and jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. However, the outbreak of COVID-19 and the subsequent lockdown in the country moderated demand and disrupted global trade in the last few days of the year. The prolonged impact of social distancing, leading to supply and demand shocks, is expected to be felt during the next fiscal as well. The outbreak of the pandemic also brought the manufacturing sector to a standstill, caused supply chain disruptions, hurting domestic production in sectors such as pharmaceuticals, automotive, chemicals and power, among others, owing to their dependence on imported materials.

Growth of India's GDP in FY 2019-20



(Source: CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB, MoSPI)

Key government initiatives

- **National Infrastructure Pipeline (NIP):** To achieve a GDP of US\$ 5 trillion by 2025, the Government of India announced the NIP policy with an investment plan of ₹102 trillion over the

next five years. This policy is expected to aid the government in creating jobs for people transitioning from farming.

- **Corporate tax relief:** With the cost of capital and corporate income tax (CIT) higher than its overseas competitors, India found it difficult to keep up with its competitors. To address the problem, the government reduced corporate tax rate from 30% to 22%. The government also added impetus to the 'Make in India' initiative by announcing a new tax rate of 15% for new domestic manufacturing companies. The new effective CIT stands at 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Indian steel industry overview

India is the second steel producer in the world with a production of 108.5 million tonnes in 2019. It is also the largest producer of sponge iron in the world. The country's steel sector employs 5,00,000+ people directly and 2.5 million people indirectly, contributing more than 2% towards India's GDP.

India's per capita steel consumption stood at 74 kgs in 2019-20, recording a record growth from a per capita steel consumption of 46 kgs in 2007-08. However, compared to the global average of 224.5 kg, the figure is still low, which shows ample headroom for the growth of the steel sector in the country, against the backdrop of enabling factors such as increasing urbanisation, per capita incomes and number of nuclear families.

Over the past few years, the construction sector across the country has gained traction, in turn, driving the growth of the steel industry. This, coupled with the government's initiatives such as the Smart Cities Mission, Pradhan Mantri Awas Yojana's drive of Housing for All and promotion of affordable housing is expected to further drive up demand steel in the foreseeable future. Furthermore, the 'Make in India' initiative also focuses on transforming India into a global manufacturing hub, which is again expected to contribute to the growth of the domestic steel industry.

(Source: Ministry of Steel, IBEF, CARE)

Total crude steel production

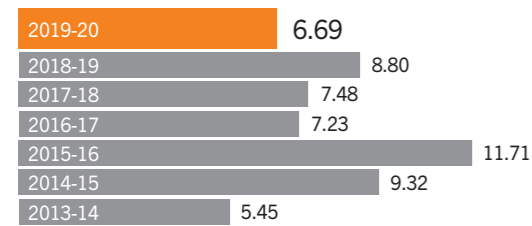
(in million tonnes)

2019-20	108.50
2018-19	106.50
2017-18	102.34
2016-17	97.95
2015-16	89.79
2014-15	88.98
2013-14	81.69

(Source: IBEF)

Import of total finished steel

(in million tonnes)



(Source: Ministry of Steel, www.argusmedia.com)

Government impetus

- **National Steel Policy:** The government has envisioned the National Steel Policy, which is expected to facilitate the faster growth and development of the domestic steel industry and ramp up steel production in the country to 300 million tonnes by 2030-31. This policy will enable government support across four key areas to promote greenfield expansion across the country. These include the availability of unencumbered land, supply of iron ore at competitive market rates, time-bound granting of clearances and facilitation of logistics linkages.
- **Pradhan Mantri Awas Yojana (PMAY):** The government aims to build 1 crore houses by 2022, of which ~104 lakh houses have already been sanctioned and more than 32 lakh houses have been completed. This government initiative is going to drive the demand for steel and steel products in the foreseeable future.
- **Scrap recycling policy:** This policy initiated by the government aims to reduce imports, conserve resources and save energy, and thereby enable processing and recycling of products in an organised and safe manner. For India to produce 300 MT of steel by 2030-31, efficient use of scrap plays a crucial role, with 35-40% of the capacity expansion expected to be scrap-based steel.
- **Smart Cities Mission:** The government undertook this initiative in 2015, and since then, 5,151 projects worth more than ₹2 lakh crore are under implementation across 100 cities. Of this, 4,154 projects worth ₹1.49 lakh crore (72% of the total proposals) have been tendered. As many as 1,290 projects worth ₹22,569 crores have been completed and are operational. The government also announced the addition of five more smart cities in the Union Budget 2020-21, which is expected to further drive the steel sector in the near future.

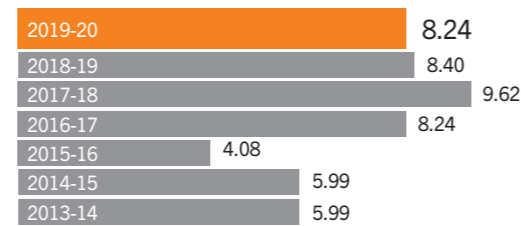
(Source: Ministry of Steel, Care Ratings)

Growth enablers

- **Real estate:** Real estate generates ~35% of the demand for steel in India. The sector is projected to grow from US\$ 1.72 billion in 2019 to US\$ 9.30 billion by 2040, and attracted investments worth US\$ 6.5 billion in 2020, 5% higher than 2019, thus, driving the demand for steel.
- **Increasing urbanisation:** Urbanisation is one of the primary contributors to the growth of the real estate and infrastructure sectors in India. The rate of urbanisation in India stood at 34.03% in 2018 and is projected to increase to 39% by 2030, generating demand in the real estate sector, which, in turn, would drive the demand of steel in the country.

Export of total finished steel

(in million tonnes)



(Source: Ministry of Steel, IBEF)

- **Infrastructure:** This sector accounts for ~20% of India's steel demand. In 2019-20, India saw a record flow of foreign direct investment (FDI) to the tune of ₹49.98 billion into the infrastructure space, which, coupled with the Union Budget's allocation of ₹100 lakh crore is expected to drive growth of infrastructure, which, again would generate greater demand for steel.

(Source: IBEF, Department for Promotion of Industry and Internal Trade)

**Union Budget
2020-21**

- An allocation of ₹50,039.90 crores was made for the Housing and Urban Affairs Ministry in the Union Budget 2020-21, a significant increase of 18.39% over the previous sum of ₹42,266.72 crores in 2019-20
- An allocation of ₹27,500 crores was made for the Pradhan Mantri Awas Yojana, registering an increase of ~8.5% over the previous year's allocation of ₹25,328 crores
- An allocation of ₹13,750 crores was made for the Smart Cities Mission and AMRUT in the Union Budget 2020-2021, a significant increase of ~40% over the allocation of ₹9,842 crore in 2019-2020

Risk management

- **Quality risk:** Our positioning in the market as a premium steel product manufacturer has been enabled by our capability to offer world-class product quality to our consumers. To sustain the superior quality of our products, we have streamlined our operations and initiated a backward integration of sponge iron for the production of billets, thus ensuring more control on quality.
- **Customer risk:** A major chunk of our revenue is generated by our biggest customers. We have been diversifying our product portfolio in order to cater to the needs of a diverse set of customers and expand our client base, thus ensuring

an even spread of revenue across our clientele A diversified product range results in better profit margins, which ensues from a better product mix, in turn, increasing profitability.

- **Material risk:** Increase in the prices of raw materials can have an adverse impact on a company's profitability. At HPIL, we achieved backward integration of our manufacturing process during the year that has secured the supply of sponge iron, which is used for the manufacture of billets, which is again used to manufacture pipes. Achieving sustainability and security in raw material supply allows us to have a greater control on our processes and quality.
- **Compliance risk:** The steel industry is subject to changing policies and regulations that can impact the Company's profitability. Being positioned as a premium steel product manufacturer, we strive to stay ahead of the curve when it comes to regulatory compliance. Validated by international quality management certifications, our products are compliant with stringent quality norms.
- **Competition risk:** New players entering the industry would affect a company's market share. At HPIL, we have consistently

**The pandemic
impact**

The last quarter of FY 2019-20 saw the outbreak of the COVID-19 pandemic across the globe, which resulted in a worldwide lockdown. The nationwide lockdown in India disrupted the supply chain and labour supply, and brought manufacturing to a standstill. At HPIL, we navigated the situation with resolute determination and focus on health and safety of our employees and channel partners allowed us to resume operations in a swift and steady manner after the lockdown ended.

fortified our presence in Southern India, especially in states like Telangana, Andhra Pradesh, Karnataka and Tamil Nadu by strengthening our distribution network and emerging as a one-stop shop for building solution by catering to the diverse industrial and individual needs of our customers.

Financial performance

- Revenue during the year stood at ₹161.19 crores compared to ₹133.92 crores in 2018-19, registering a growth of 20.36% y-o-y
- EBITDA stood at ₹23.95 crores in 2019-20 compared to ₹17.31crores in 2018-19, showing a y-o-y growth of 38.34%
- PAT for the year stood at ₹8.36 crores vis-à-vis ₹8.22 crores in 2018-19, at a y-o-y growth of 1.76%
- Debt-equity ratio was moderated from 2.28x in 2015-16 to 1.58x in 2019-20

Robust internal control systems

Our internal audit system is continuously monitored and updated to safeguard our assets and ensure compliance in a dynamic regulatory environment. The Audit Committee is tasked with the responsibility of regularly reviewing the reports presented by the internal auditors. The committee also makes note of the audit observations and undertakes corrective actions.

Cautionary statement

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectations may constitute certain statements which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and in the countries with which the Company conducts business and other incidental factors.

Board's Report

TO
THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hari Om Concast and Steels Private Limited)

Your Directors have pleasure to present their Annual Report together with the audited accounts for the year ended 31 March, 2020.

Financial Results

Particulars	(Value ₹)	
	31-03-2020	31-03-2019
Income from operations	1,60,77,69,364	1,33,59,60,678
Other income	41,00,183	31,95,113
Total	1,61,18,69,547	1,33,91,55,791
Total Expenditure	1,49,39,13,280	1,22,08,17,338
Profit/(Loss) before Tax	11,79,56,267	11,83,38,453
Total Tax Expenses	3,43,08,084	3,61,76,374
Profit/(Loss) after Tax	8,36,48,183	8,21,62,079

Operational Review

Your Company has recorded total revenue of ₹1,61,18,69,547 as compared to ₹1,33,91,55,791 in the previous financial year. The Net profits of the Company has grown and stood at ₹8,36,48,183 as against a profit of ₹8,21,62,079 in the Previous Financial Year.

Your Company continues to engage with customers to maintain long term partnerships and develop new ones.

Your Directors are optimistic about Companies business and hopeful of more better performance with more increased revenue next year.

Dividend

Your Board does not recommend any dividend for the FY 2019-20.

Bonus Shares

The Company did not Issue any Bonus shares to its members during the FY 2019-20.

Changes in Capital

1. Authorised Capital:

The Authorised Share capital of the company was Increased from ₹22,00,00,000/- to ₹28,00,00,000/-

The reason for Increase in the Authorised capital was due to addition of 60,00,000 (Sixty Lakhs Only) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each.

2. Paid Up Capital:

The total paid up capital of the Company Increased from ₹19,40,36,580 to ₹24,49,96,300 due to the following allotments.

The Company has also Issued 60,00,000 (Sixty Lakhs Only) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each and out of which 50,00,000 (Fifty Lakhs Only) shares were allotted by the Company.

The Company during the year has redeemed 2906455 3% Series A Redeemable Non-Cumulative preference shares of ₹10/- each.

The Company during the year Issued and allotted 29,50,000 3% Series A Redeemable Non-Cumulative preference shares of ₹10/- each.

There was No Change in the Equity Share Capital of the Company during the year.

Material Changes and commitments:

During the FY 19-20 the Company has acquired land admeasuring Ac 9.31 at Sy. No. 98, D. Hirehal village & Panchayat, Rayadurgam sub division, Ananthapur revenue division from M/s. S S P Sponge Iron Pvt. Ltd.

The Company has also acquired Vacant site admeasuring Ac. 10.00 located at Sy. No. 98, D. Hirehal village & Panchayat, Rayadurgam sub division, Ananthapur, revenue division in the name of Mr. Siva Prasanth.

During the FY 2020-21 the Company has acquired Plant & Machinery, Factory Building (Sponge unit) form S S P Sponge Iron Pvt. Ltd. located at Sy. No. 98, D. Hirehal village & Panchayat, Rayadurgam. The production of Sponge Iron has also been started at the plant.

Except the above No other material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Auditors and Auditors report:

1. Statutory Auditors and Statutory Auditors Report:

M/s. Rakesh S Jain & Associates, Chartered Accountants, were appointed as statutory auditors of the Company for a period of five years in the Annual General Meeting held on 29 September, 2017. They have confirmed that they are not disqualified to continue as Auditors of the Company.

The Notes on Financial Statements referred to in the Auditors Report are self explanatory and do not call for any further comments. The Auditors report does not have any qualification, reservation or adverse remarks.

2. Cost Auditors and Cost Auditors Report:

As per the provisions of Section 148 of the Companies Act 2013 read with the Companies (Cost and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditor) Rules, 2014, M/s Sheshadri & Associates, Cost Accountants,

(Firm Registration No. 101476) were appointed as Cost Auditors of the Company in the Board meeting held on 31 August, 2019, to conduct audit of Cost records maintained by the Company for Financial year ending 31 March, 2020.

The Auditors report does not have any qualification, reservation or adverse remarks.

Details of Directors or Key Managerial personnel who were appointed or resigned during the year

No Directors or Key Managerial personnel were appointed or resigned during the year.

Declaration given by Independent Directors:

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013. The Company received the declarations from the Independent Directors confirming that they meet the criteria as mentioned in the Companies Act, 2013.

Details of Subsidiaries, Associates and Joint Ventures

Your Company has no subsidiary companies, no Associate companies and no joint ventures.

Secretarial Standards

The Directors state that applicable Secretarial Standards i.e SS-1 and SS-2, relating to 'Meeting of Board of Directors' and 'General meetings', respectively, have been duly followed by the Company.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources acquired are used economically.

Quality and Systems

Your company continues to maintain its certification under the Integrated Management Systems with certifications under ISO 9001:2015.

Deposits

The company has neither accepted nor renewed any deposits falling within the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 including any modification, amendment and reenactment thereto for the time being in force from the public during the financial year.

Number of Board Meetings held during the year

The Board of Directors duly met 11 (Eleven) times during the year and in respect of which meetings, proper notices were given and the proceedings were properly recorded.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the period ended 31 March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 statement of profit of the company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the period ended 31 March, 2020 on a 'Going Concern' basis and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

The details regarding conservation of Energy, Technology Absorption Foreign Exchange Earnings / Outgo are attached as Annexure-I to this report

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act 2013

The Company has not given any Loans, Guarantees or made any Investments under section 186 of the Companies Act 2013.

Particulars of contracts or arrangements with related parties referred in sub section (1) of Section 188 in the prescribed form

The Particulars of contracts or arrangements with related parties referred in sub section (1) of Section 188 are attached as Annexure –II to this report.

Transfers to reserves

The Company does not propose any amount to be transferred to reserves.

Vigil Mechanism/ Whistle Blower Policy

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group.

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards

against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

Risk Management

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company.

Details about the Corporate Social Responsibility Policy developed and implemented by the Company

The Board is in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made thereunder. A detailed report on the CSR activities taken up by your Company is annexed as Annexure 4 to this report.

Committees of the Board

• Audit Committee

Your Company has constituted Audit Committee pursuant to the provisions of section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Santosh Kumar Rath	Non-Executive Independent Director	Chairman
2.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member
3.	Mr. Rupesh Kumar Gupta	Managing Director	Member

• Nomination and Remuneration Committee

Your Company has constituted Nomination and Remuneration Committee pursuant to the provisions of section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Chairman
2.	Mr. Santosh Kumar Rath	Non-Executive Independent Director	Member
3.	Mrs. Sunita Gupta	Non-Executive-Director	Member

• Constitution of Stakeholders Relationship Committee

Your Company has constituted Stakeholders Relationship Committee pursuant to the provisions of section 178 (5) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mrs. Sunita Gupta	Non-Executive-Director	Chairman
2.	Mr. Santosh Kumar Rath	Non-Executive Independent Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

• Constitution of Corporate Social Responsibility Committee

The Board of Directors in their meeting held on 09.06.2018, had constituted Corporate Social Responsibility Committee pursuant to the provisions of section 135 of the Companies Act, 2013 read with Schedule VII and the relevant rules made thereunder, 2014.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rupesh Kumar Gupta	Managing Director	Chairman
2.	Mr. Sailesh Gupta	Wholetime Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

Meeting of Independent Directors

During the year under review, the Independent Directors met on 03 March, 2020 inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

Extract of Annual Return

The Extract of the Annual Return for the financial year ended 31 March 2020 is being attached as **Annexure III** and forms part of this report.

Policy on Sexual Harassment:

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31 March, 2020, the company has not received any complaints pertaining to sexual harassment.

Significant and Material Orders passed by the Regulators or Courts

The company has not received any significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Acknowledgements

Your Directors express their sincere thanks for the continued support and encouragement extended by its Bankers, Government of Andhra Pradesh and Telangana and other Government Bodies both at the Centre and at the States.

Your Directors wish to express their heartfelt thanks to the shareholders for the continued resources, energy and methods of improvement that they have actively injected into the Company and the constant support to its management.

Your Directors wish to place on record their deep sense of appreciation for the constructive attitude, hard work and proactive contribution made by all its employees.

For and on behalf of the Board

Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Date: 14.12.2020
Place: Hyderabad

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Annexure - I

INFORMATION UNDER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014.**A. Conservation of Energy:**

- i) The Company being a manufacturing unit have been using Hot Charging method that is Direct Rolling of Hot Continuous Cast Billets which helps the Company to have more favorable price for energy. Also the management of the have been making continuous efforts to identify the areas of energy conservation for effecting improvements.
- ii) The Company have been procuring energy from Indian Energy Exchange (IEX) as an alternative for procuring energy as and when required.
- iii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

B. Technology Absorption:

- i) the efforts made towards technology absorption: **NIL**
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
- (a) the details of technology imported: **NIL**
- (b) the year of import: **NIL**
- (c) whether the technology been fully absorbed: **NIL**
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **NIL**
- iv) the expenditure incurred on Research and Development: **NIL**

C. Foreign Exchange Earnings and Outgo:

Activities relating to exports and initiatives taken to increase export products, services and export plans: **NIL**

Foreign Exchange earnings and outgo: (On receipts and payments basis)

Particulars	2019-20	2018-19
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo (₹ in Lakhs)	12,74,554	3,14,086

For and on behalf of the Board

Hariom Pipe Industries Limited

(Formerly Hari Om Concast and Steels Private Limited)

Sd/-

Rupesh Kumar Gupta

Managing Director

(DIN: 00540787)

Sd/-

Sailesh Gupta

Wholetime Director

(DIN: 00540862)

Date: 14.12.2020

Place: Hyderabad

Annexure - II

Form No. AOC-2

DETAILS OF RELATED PARTY TRANSACTIONS

(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 subsection (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: NIL

The company has not entered into any contract or arrangement or transaction which is not at arm's length basis during the year under review.

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

The following are the details of the transaction.

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Rupesh Kumar Gupta	Rent paid (Expenses)	NA	Lease of premises at a rent of ₹55,000/- Per Month.	Existing Agreement - Not Applicable	NIL
Ms. Parul Gupta	Rent paid (Expenses)	NA	Lease of premises at a monthly rent of ₹35,000/-	Existing Agreement - Not Applicable	NIL
Mr. Sailesh Gupta	Rent paid (Expenses)	NA	Lease of premises at a rent of ₹50,000/- Per Month	Existing Agreement - Not Applicable	NIL
Mrs. Parul Gupta	Salary	NA	Remuneration Increased to ₹36,00,000 per anum as per provisions of Section 188(1)(f) of the Companies Act, 2013	27.02.2019	Nil
Mrs. Isha Gupta	Salary	NA	Remuneration Increased to ₹36,00,000 per anum as per provisions of Section 188(1)(f) of the Companies Act, 2013	27.02.2019	Nil
Mr. Rakesh Kumar Gupta	Salary	NA	Salary paid ₹24,00,000	Not Applicable	Nil

For and on behalf of the Board

Hariom Pipe Industries Limited

(Formerly Hari Om Concast and Steels Private Limited)

Sd/-

Rupesh Kumar Gupta

Managing Director

(DIN: 00540787)

Sd/-

Sailesh Gupta

Wholetime Director

(DIN: 00540862)

Date: 14.12.2020

Place: Hyderabad

Annexure - III

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	U27100TG2007PTC054564
ii)	Registration Date	21/06/2007
iii)	Name of the Company	HARIOM PIPE INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v)	Address of the Registered office and contact details	3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad Hyderabad-500048
vi)	Whether listed company	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Bigshare Services Private Ltd. Flat No. 306, Right wing, 3rd Floor Amrutha Ville Appts, Opp: Yashoda Hospitals, Somajiguda, Rajbhavan Road, Hyderabad-500082. Ph: 91 40-23374967

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	MANUFACTURE OF SEMI FINISHED ALLOY STEEL OF THESE SHAPES [Mild Steel Billets]	27142	17.61%
2	MANUFACTURE OF ALLOY STEEL HOTE ROLLED FLAT PRODUCTS [HRStrip]	27162	24.61%
3	MANUFACTURE OF OTHER BASIC IRON AND STEEL M.E.C [of Iron Other Tubes, Pipes AND Hollow Profiles]	27190	57.78%

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
-	-	-	-	-	-

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 (as on 01-04-2019)				No. of Shares held at the end of the year (as on 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	13233430	-	13233430	100	13233430	-	13233430	100	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	13233430	-	13233430	100	13233430	-	13233430	100	-
(2) Foreign									
a) NRI – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2019)				No. of Shares held at the end of the year (as on 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	13233430	-	13233430	100	13233430	-	13233430	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital up to ₹1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares Held by Custodian for GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13233430	--	13233430	100	13233430	--	13233430	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2019)			Share holding at the end of the year (as on 31-03-2020)			% 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	Isha Gupta	644000	4.87	-	644000	4.87	-	-
2	Parul Gupta	905968	6.85	-	905968	6.85	-	-
3	Rakesh Kumar Gupta [H.U.F.]	420000	3.17	-	420000	3.17	-	-
4	Rakesh Kumar Gupta	1890000	14.28	-	1890000	14.28	-	-
5	Rupesh Kumar Gupta [H.U.F.]	98000	0.74	-	98000	0.74	-	-
6	Rupesh Kumar Gupta	3638292	27.49	-	3638292	27.49	-	-
7	Shailesh Kumar Gupta	2464000	18.62	-	2464000	18.62	-	-
8	Sunita Gupta	811832	6.13	-	811832	6.13	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2019)			Share holding at the end of the year (as on 31-03-2020)			% 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	
9	Shailesh Kumar Gupta HUF	28000	0.21	-	28000	0.21	-	-
10	Rupesh Kumar Gupta, Sailesh Gupta, Rakesh Kumar Gupta (Beneficial Owner M/s Ultrapiques partnership firm)	2333338	17.63	-	2333338	17.63	-	-
Total		13233430	100	-	13233430	100	-	-

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01.04.2019	N.A	13233430	100%	13233430	100%
	Changes during the year			NIL			
	At the end of the year	31.03.2020	N.A	13233430	100%	13233430	100%

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

Sl. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease	Reason	No. of Shares
	For Each of the Top 10 Shareholders						
	At the beginning of the year	-	-	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	Rupesh Kumar Gupta						
	At the beginning of the year	01.04.2019	NA	3638292	27.49	-	-
	At the end of the year	31.03.2020	NA	3638292	27.49	3638292	27.49
2.	Sailesh Gupta						
	At the beginning of the year	31.03.2019	NA	2464000	18.62	-	-
	At the end of the year	31.03.2020	NA	2464000	18.62	2464000	18.62
3.	Sunita Gupta						
	At the beginning of the year	01.04.2019	NA	811832	6.13	-	-
	At the end of the year	31.03.2020	NA	811832	6.13	811832	6.13
4.	Rakesh Kumar Gupta						
	At the beginning of the year	01.04.2019	NA	1890000	14.28	-	-
	At the end of the year	31.03.2020	NA	1890000	14.28	1890000	14.28
5.	Isha Gupta						
	At the beginning of the year	01.04.2019	NA	644000	4.87	-	-
	At the end of the year	31.03.2020	NA	644000	4.87	644000	4.87
6.	Parul Gupta						
	At the beginning of the year	01.04.2019	NA	905968	6.85	-	-
	At the end of the year	31.03.2020	NA	905968	6.85	905968	6.85

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹40,10,65,876/-	₹7,08,07,185/-	NIL	₹47,18,73,061/-
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	₹40,10,65,876/-	₹7,08,07,185/-	NIL	₹47,18,73,061/-
Change in Indebtedness during the financial year				
Addition	₹11,44,01,373/-	NIL	NIL	₹25,03,11,197/-
Reduction	NIL	₹1,67,51,000/-	NIL	NIL
Net Change	₹11,44,01,373/-	₹1,67,51,000/-	NIL	₹9,76,50,373/-
Indebtedness at the end of the financial year	₹51,54,67,249/-	₹5,40,56,185/-	NIL	₹56,95,23,434/-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	₹51,54,67,249/-	₹5,40,56,185/-	NIL	₹56,95,23,434/-

I. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		(Amt in ₹)
		Rupesh Kumar Gupta	Sailesh Gupta	Total Amount
1.	Gross salary	1,80,00,000	1,44,00,000	3,24,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify.....	-	-	-
5.	Others, please specify	-	-	-
Total (A)		1,80,00,000	1,44,00,000	3,24,00,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Santosh Kumar Rathi	Pramod Kumar Kapoor	Sunita Gupta	
1.	Independent Directors	1,15,000	1,12,000	-	2,35,000
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
Total (1)		1,15,000	1,20,000	-	2,35,000
2.	Other Non-Executive Directors	-		1,15,000	1,15,000
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
Total (2)		-	-	1,15,000	1,15,000
Total (B) = (1+2)		1,15,000	1,20,000	1,15,000	3,50,000
Total Managerial Remuneration		1,15,000	1,20,000	1,15,000	3,50,000
Overall Ceiling as per the Act		-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WT

		(Amount in ₹)			
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	₹4,31,760/-	₹8,72,200/-	₹13,03,960/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify.....	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	₹4,31,760/-	₹8,72,200/-	₹13,03,960/-

VI. 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)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Date: 14.12.2020
Place: Hyderabad

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Our Company always believes that Corporate Social Responsibility requires the Company to pursue social goals, especially those relating to sustainable development, environmental protection, social justice and economic development. Corporate Social Responsibilities strengthen the relationship between the Company and the Society. Stakeholders are changing the way they assess Companies' performance, and are making decisions based on criteria that include ethical concerns.

CSR committee

We have a board committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met.

The Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rupesh Kumar Gupta	Managing Director	Chairman
2.	Mr. Sailesh Gupta	Wholetime Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

Details of CSR Expenditure

Average net profit of the Company for last three financial years	₹5,43,08,232
Prescribed CSR Expenditure (2% of the above amount)	₹10,86,165
Details of CSR spent during the financial year	
• Total amount spent for the financial year	₹11,90,550
• Amount unspent, if any	Nil
• Manner in which the amount spent during the financial year is detailed below	Annexure A
In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount	NA

Our CSR responsibilities

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

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Annexure - A

Sl. No	CSR Project/ Activity/ beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Ensuring Animal Welfare by way of contribution towards Cattle feeds etc.	Animal Welfare	Hyderabad, Telangana	NA	₹6,25,470	₹6,25,470	Direct
2	Improving health conditions & medical facilities, Providing medical aid, contributing towards PM care fund and other contributions towards COVID-19 pandemic etc.	Promoting health care including preventive health care	Hyderabad, Telangana	NA	₹5,65,080	₹5,65,080	Direct

For and on behalf of the Board
Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Date: 14.12.2020
Place: Hyderabad

Independent Auditor's Report

TO THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hari Om Concast and Steels Private Limited)

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Hariom Pipes Industries Limited (Formerly Hariom Concast & Steels Pvt. Ltd.) ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 Companies Act, 2013 ("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 March, 2020, Its profit and cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Information other than the 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, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management's Responsibility for the Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts: and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAKESH S JAIN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 010129S

Sd/-
B. RAMESH KUMAR
(PARTNER)

M.No: 200304

UDIN: 20200304AAAANE2119

Place: Hyderabad
Date: 14.12.2020

Annexure A to Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **HARIOM PIPES INDUSTRIES LTD** of even date)

HARIOM PIPES INDUSTRIES LTD

1. In respect of the Company's fixed assets:
 - a) According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanations furnished to us, all the assets have been physically verified by the Management during the year through a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations furnished to us the title deeds of immovable property are held in the name of the company.
2.
 - a) According to the information and explanations furnished to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - b) According to the information and explanations furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the company has not granted any loans secured or Unsecured to Companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. We have broadly reviewed the books of account relating to the material, labour and other items of cost maintained by the company pursuant to the order by the Central Govt. for the maintenance of cost records under sec 148(1) of the Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made a detailed examination of the reports with a view to determine whether they are accurate or complete.
7.
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Income tax, sales tax, Goods and Service Tax, service tax, duty of customs duty of excise and value added tax which have not been deposited on account of any dispute.
8. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.
9. In our Opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of Companies Act 2013.
12. In our opinion, the company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

13. According to the records of the Company examined by us, all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 have complied with and the details have been disclosed in the Financial Statements as required by applicable accounting standards.
14. During the year, the Company has made private placement of shares. The requirement of section 42 of the Companies Act, 2013 have been complied with and the amount so raised has been utilised towards the purpose for which it was raised.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors

or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. According to the information and explanations given to us, in our opinion the company is not required to get registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAKESH S JAIN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 010129S

Sd/-
B. RAMESH KUMAR
(PARTNER)
M.No: 200304
Place: Hyderabad
Date: 14.12.2020

UDIN: 20200304AAAAANE2119

Annexure B to Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **HARIOM PIPES INDUSTRIES LTD** of even date)

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

To the Members of HARIOM PIPES INDUSTRIES LIMITED
("the Company").

We have audited the internal financial controls over financial reporting of as of **HARIOM PIPES INDUSTRIES LIMITED** ("the Company") as of **31 March, 2020** in conjunction with our audit of 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 include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAKESH S JAIN & ASSOCIATES**

Chartered Accountants
Firm Registration No: 010129S

Sd/-

B. RAMESH KUMAR
(PARTNER)

M.No: 200304

UDIN: 20200304AAAAANE2119

Place: Hyderabad

Date: 14.12.2020

Balance Sheet

as at 31-03-2020

Particulars	Note No.	As at 31-03-2020	(Value ₹) As at 31-03-2019
I) EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	24,49,96,300	19,40,36,580
(b) Reserves and Surplus	2.2	29,04,12,518	21,47,04,394
2. Non-current liabilities			
(a) Long-term borrowings	2.3	36,02,56,476	29,76,26,141
(b) Deferred tax Liabilities (Net)	2.4	3,16,34,205	1,47,99,750
(c) Long-term provisions	2.5	15,87,944	10,82,130
3. Current liabilities			
(a) Short-term borrowings	2.6	33,00,49,205	20,33,95,904
(b) Trade payables	2.7	2,84,89,567	4,79,28,735
(c) Other Current Liabilities	2.8	10,33,27,514	5,19,93,802
(d) Short-term Provisions	2.9	2,08,20,732	2,64,86,955
Total		1,41,15,74,462	1,05,20,54,391
II) ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment			
(i) Tangible assets	2.10	49,49,58,929	42,81,80,382
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		12,58,640	-
(b) Long term loans and advances	2.11	1,93,708	1,68,708
(c) Other Non-Current Assets	2.12	-	15,40,900
2. Current assets			
(a) Inventories	2.13	59,53,49,243	39,01,19,317
(b) Trade receivables	2.14	22,77,60,134	10,48,57,867
(c) Cash and Bank balances	2.15	2,12,79,504	3,99,95,864
(d) Short-term loans and advances	2.16	5,41,82,193	7,47,40,611
(e) Other current assets	2.17	1,65,92,110	1,24,50,741
Total		1,41,15,74,462	1,05,20,54,391
Contingent Liabilites & Commitment	2.25	4,82,249	4,82,249
Significant accounting policies and notes on accounts	1 & 2		

The schedules referred to above form an integral part of the accounts

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 010129S

Sd/-

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

UDIN: 20200304AAAANE2119

Place: Hyderabad

Date: 14.12.2020

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

Rupesh Kumar Gupta

Managing Director

DIN: 00540787

Amitabha Bhattacharya

(Chief Financial Officer)

Sd/-

Sailesh Gupta

Whole-time Director

DIN: 00540862

Chirag Partani(Company Secretary
& Compliance Officer)

Statement of Profit and Loss

for the period ended 31st March, 2020

Particulars	Note No.	2019-2020	(Value ₹) 2018-2019
I) Revenue			
Revenue from operations (Gross)		1,89,71,67,168	1,57,64,33,608
Less: Taxes & Duties		28,93,97,804	24,04,72,930
Revenue from operations (Net)		1,60,77,69,364	1,33,59,60,678
II) Other Income		41,00,183	31,95,113
Total Revenue (I+II)	2.18	1,61,18,69,547	1,33,91,55,791
Expenses:			
Cost of materials consumed	2.19	1,09,53,18,840	84,09,37,837
Changes in inventories of work-in-processand finished goods	2.20	(18,87,27,830)	5,87,910
Employee benefits expenses	2.21	8,27,94,098	5,86,64,201
Finance costs	2.22	6,98,79,986	3,32,52,026
Depreciation and amortization expenses	2.23	5,16,36,547	2,15,42,880
Other expenses	2.10	38,30,11,639	26,58,32,484
Total Expenses		1,49,39,13,280	1,22,08,17,338
Profit/ (Loss) before Exceptional & Extraoridanary Item		11,79,56,267	11,83,38,453
Profit/ (Loss) before Extraoridanary Item		11,79,56,267	11,83,38,453
Extraoridanary Item	2.25	-	-
Profit/(Loss) before tax		11,79,56,267	11,83,38,453
Tax expenses:	2.26		
(a) Current tax		2,06,09,319	2,55,00,517
(b) Mat Credit Entitlement		(40,65,828)	(52,27,382)
(c) Income tax for earlier year		9,30,138	32,94,578
(d) Deferred tax		1,68,34,455	1,26,08,661
Total Tax Expenses		3,43,08,084	3,61,76,374
Profit/(Loss) for the period		8,36,48,183	8,21,62,079
Earnings per equity share:			
(a) Basic/Adjusted Basic for Last Yr.		6.32	6.21
(b) Diluted/Adjusted Diluted for Last Yr.		6.19	6.08
Significant accounting policies and notes on accounts	1 & 2		

The schedules referred to above form an integral part of the accounts

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 010129S

Sd/-

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

UDIN: 20200304AAAANE2119

Place: Hyderabad

Date: 14.12.2020

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

Rupesh Kumar Gupta

Managing Director

DIN: 00540787

Amitabha Bhattacharya

(Chief Financial Officer)

Sd/-

Sailesh Gupta

Whole-time Director

DIN: 00540862

Chirag Partani(Company Secretary
& Compliance Officer)

Cash Flow Statement

for the period ended 31st March, 2020

(Value ₹)		
Particulars	31-03-2020	31-03-2019
I) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax	11,79,56,267	11,83,38,453
Adjust For		
Depreciation	5,16,36,547	2,15,42,880
Finance Costs	6,98,79,986	3,32,52,026
Operating Profit before Working Capital changes	23,94,72,800	17,31,33,359
Working Capital Changes Adjust For		
Trade & Other Receivables	(10,49,69,317)	(6,16,90,253)
Inventories	(20,52,29,926)	(6,90,09,268)
Trade Payables & Other Current Liabilities	2,62,28,322	(50,71,827)
Working Capital Borrowings	12,66,53,300	4,92,69,927
	(15,73,17,621)	(8,65,01,420)
Cash generated from operations	8,21,55,179	8,66,31,939
Taxes Paid	(1,74,73,629)	(2,35,67,713)
Cash Flow before extraordinary items	6,46,81,550	6,30,64,226
Net Cash Flow From Operating Activities - (A)	6,46,81,550	6,30,64,226
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments (Net)	(11,96,73,734)	(32,19,19,022)
Net Cash used in Investing Activities - (B)	(11,96,73,734)	(32,19,19,022)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges	(6,98,79,986)	(3,32,52,026)
Dividend Paid	(79,40,058)	-
Corporate Social Responsibility	-	-
Increase/ (Decrease) in securities premium	-	4,66,66,760
Issue of share capital	5,09,59,720	5,18,73,660
Share Application	-	-
Term Loans	(1,22,51,929)	18,52,41,270
Other Long-term Liabilities	9,21,39,078	2,95,31,345
Other Loans	(1,67,51,000)	1,58,00,000
Net Cash used in Finance Activities - (C)	3,62,75,825	29,58,61,009
Net Increase (Decrease)		
in Cash & Cash Equivalents (A+B+C)	(1,87,16,360)	3,70,06,212
Opening Balance in Cash and Cash Equivalents		
(Cash and Bank Balance)	3,99,95,864	29,89,652
Closing Balance in Cash and Cash Equivalents		
(Cash and Bank Balance)	2,12,79,504	3,99,95,864

The schedules referred to above form an integral part of the accounts
As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 010129S

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304
UDIN: 20200304AAAAANE2119
Place: Hyderabad
Date: 14.12.2020

Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Amitabha Bhattacharya
(Chief Financial Officer)

Sailesh Gupta
Whole-time Director
DIN: 00540862

Chirag Partani
(Company Secretary
& Compliance Officer)

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

1. SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Hariom Pipe Industries Limited (Formerly Hariom Concas t & Steels Private Limited incorpora ted under the provisions of Companies Act, 1956 on 21 June, 2007 with the Registrar of Companies, Hyderabad.) The name of our Company was changed to Hariom Pipe Industries Private Limited vide Special Resolution dated 12 December, 2017. A Certificate of Incorporation consequent to name change was issued on 27 December, 2017. The status of our Company was changed to a public limited company and the name of our Company was changed to Hariom Pipe Industries Limited by a Special Resolution passed on 08 January, 2018. A fresh Certificate of Incor poration consequent upon conversion was issued on 17 January, 2018 by the Registrar of Companies, Hyderabad.

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 in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any explained below.

A. Uses of Estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods

B. Property, plant and equipment

a) Property, plant and equipment: Property, plant and equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any Property, plant and equipments

is shown as deduction in the year of receipt. Capital work- in-progress is stated at cost.

b) Depreciation: Depreciation is systematically allocated over the useful life of the asset as specified in Schedule II of Companies Act, 2013.

Depreciation on Property, plant and equipments added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

Freehold land is not depreciated.

C. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is arrived on the basis of weighted average method.

Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spare parts are carried at lower of cost and net realisable value.

D. Revenue recognition

Revenue is recognized on accrual basis and there is no Transaction Involving Sale of Goods not recognized as revenue during the previous year due lack of reasonable certainty of its ultimate collection.

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

E. Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Defined contribution plan: Company's contributions due/payable during the year towards provident fund and Employee State Insurance is recognized in the profit and loss account. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at balance sheet date.

F. Taxes on Income

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is virtual certainty that there will be sufficient future taxable income available to realise assets. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

G. Impairment of Asset

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

H. Provisions

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

I. Contingent Liability

Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably.

J. Borrowing Cost

The Assessee has adopted and Accounting Policy to Capitalize Borrowing Cost for Amounts Borrowed for Acquiring Tangible Assets till the Date of Assets put to Use.

K. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented are been adjusted for events, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares unless impact is anti-dilutive.

L. Business Segment

The company is dealing in one segment i.e. manufacturing of Iron & Steels. Hence figures relate to that segment only.

2. NOTES ON ACCOUNTS

A. Related Party Disclosures

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year:

List of Related Parties

Name	Designation
RupeshKumar Gupta	Director
Sailesh Gupta	Director
Rakesh Kumar Gupta	Director's Relative
Parul Gupta	Director's Relative
Isha Gupta	Director's Relative
Sunita Gupta	Director

B. Directors' Interest

- Reo Solutions (Pvt.) Ltd.
- Ansh Commerce (Pvt.) Ltd.
- Hariom Scaffolding and Form Works
- Ultra Pipe

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

C. Key Managerial Person

- Pramod Kumar Kapoor Chairman and Independent
- Rupesh Kumar Gupta Managing Director
- Sailesh Gupta Whole Time Director
- Sunita Gupta Non-Executive Director
- Santosh Kumar Ratlli Independent Director
- Amitabha Bhattacharya Chief Financial Officer
- Chirag Partani Company Secretary and Compliance Officer
- Rakesh Kumar Gupta Adviser to Strategy and Finance
- Sunil Kumar General Manager Production
- Sharad Shyamsunder Lahoti HR Manager

D. During the year following transactions was carried out with related parties in ordinary course of Business

S No.	Particulars	2019-20	2018-19
1.	Managerial Remuneration	3,24,00,000	1,20,00,000
2.	Directors Sitting Fees	3,50,000	2,27,500
3.	Salary		
	a) Parul Gupta	36,00,000	25,35,000
	b) Isha Gupta	36,00,000	25,35,000
	c) Rakesh Kumar Gupta	24,00,000	24,00,000
4.	Rent Paid		
	a) Rupesh Kumar Gupta	6,60,000	6,60,000
	b) Parul Gupta	4,20,000	4,20,000
	c) Sailesh Gupta	6,00,000	1,00,000

SL. No.	Particulars	Balance as on 31 March 2019	Accepted During the Year	Repaid During the Year	Balance as on 31 March 2020
1. Loan					
a)	Ansh Commerce (Pvt.) Ltd.	4,23,40,000	2,91,10,000	2,91,10,000	4,23,40,000
b)	Reo Solutions (Pvt.) Ltd.	7,00,000	-	-	7,00,000
c)	Rupesh Kumar Gupta	12,48,525	1,32,00,000	12,50,000	1,31,98,525
d)	Sailesh Gupta	16,90,670	51,00,000	12,50,000	55,40,670
e)	Sunita Gupta	90,27,990	-	-	90,27,990

E. The breakup of net deferred tax liability as on 31 March 2020 is as under

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-2019	Current Year Charges (Credit)	Deferred Tax Asset/ (Liability) as at 31-03-2020
Deferred Tax Liabilities			
Difference between book and tax depreciation/ unabsorbed loss	(14799750)	(16834455)	(31634205)
Total	(14799750)	(16834455)	(31634205)
Deferred Tax Assets			
Difference between book and tax for Others	-	-	--
Net Amount	(14799750)	(16834455)	(31634205)

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

F. EPS calculation for the FY 2019-2020

Particular	FY 19-20	FY 18-19
The computation of EPS is set out below:		
Earnings:		
Net Profit for the period	8,35,73,288	8,21,62,079
Shares:		
No of Shares at the beginning of the period	1,32,33,430	1,09,00,092
Add: Shares Issued during the period	-	23,33,338
Total No of Equity Shares outstanding at the end of the period	1,32,33,430	13233,430
Weighted average No of Equity Shares Outstanding during the period	1,32,33,430	1,32,33,430
Earning Per Share of par value ₹10/- Basic/ Diluted(₹)	6.32	6.21

G. Employee Benefit

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Defined contribution plan: Company's contributions due/payable during the year towards provident fund and Employee State Insurance is recognized in the profit and loss account. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity is determined using the Projected Unit Credit Method, with actuarial valuation beingcarried out at balance sheet date.

Assets/Liabilities	31.03.20	31.03.19
Present Value of obligation	17,99,358	12,08,039
Fair Value of Plan Assets	12,64,210	0
Net asset/(liability) in B/S	(5,35,148)	(12,08,039)
Expense Details		
Current Service Cost	3,59,872	2,41,608
Total Employer expense	(3,64,294)	(3,07,183)
Summary of Membership Data		
Number of employees	52	74
Total Monthly salary	15,24,945	11,03,217
Av. past service (years)	3	3
Av. Age at valuation date	36	37
Assumptions:		
Discount Rate	6.73%	7.89%
Rate of inc. in Comp. Levels	4.00%	4.00%

Assets/Liabilities	31.03.20	31.03.19
Return on Plan Assets (Actuals)	N.A.	N.A.
Average. Fut. service (yrs)	24	23
Changes in PV of Obligations:		
PV Obligation as at the start:	20,68,567	12,08,039
Acquisition adjustment -	0	0
Interest Cost	1,57,832	95,314
Past Service Cost	0	0
Current Service Cost	3,59,872	4,13,713
Curtailment Cost / (Credit)	0	0
Settlement Cost / (Credit)	0	0
Benefits paid	0	0
Actuarial (gain)/ loss on oblig.	(7,86,913)	3,51,501
PV of Obligation as at the end:	17,99,358	20,68,568
Changes in the FV of Plan Assets		
FV of Plan Assets at the start:	12,14,311	0
Acquisition Adjustments	(45,186)	0
Exp. Return on Plan Assets	92,652	0
Contributions (net)	0	12,14,311
Benefits Paid	0	0
Actuarial Gain /(loss) on Assets	2,433	0
FV of Plan Assets at the end:	12,64,210	12,14,311
Fair Value of Plan Assets		
FV of plan assets at the start:	12,14,311	0
Acquisition Adjustments	(45,186)	0
Actual return on plan assets	95,085	0
Contributions	0	12,14,311
Benefits Paid	0	0
FV of Plan Assets at the end:	12,64,210	12,14,311
PV of Obligation as at the end:	17,99,358	20,68,567
Funded Status	(5,35,148)	(8,54,256)
ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain/(loss) - Oblig.	7,86,913	(3,51,501)
Actuarial gain/(loss) – Assets	2,433	0
Total gain / (loss) for the period	7,89,346	(3,51,501)
Actuarial gain / (loss) recognized	7,89,346	(3,51,501)
Unrecog. actuarial gains / (loss):	0	0
AMOUNTS RECOG. IN B/S		
PV of Obligation as at the end:	17,99,358	20,68,567
FV of Plan Assets as at the end:	12,64,210	12,14,311
Funded Status	(5,35,148)	(8,54,256)

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Assets/Liabilities	31.03.20	31.03.19
Unrecogn. Actuarial (gains) / losses	0	0
Net Asset / (Liab.) Recog. in B/S	(5,35,148)	(8,54,256)
EXPENSE RECOG. IN P AND L A/C		
Current Service Cost	3,59,872	4,13,713
Past Service Cost	0	0
Interest Cost	1,57,832	95,314
Expected Return on Plan Assets	(92,652)	0
Curtailment Cost /	0	0
Settlement Cost	0	0

Amount spent during the year on CSR Activity:

Sl. No.	CSR Activities	In Cash / Bank	Yet to be Paid in Cash	Total
1	Friends of Tribal Society	1,10,000	-	1,10,000
2	Thalassernia And Sickle Cell Society	61,200	-	61,200
	Bhagwan Mahavir Jain Relief Foundation Trust	30,000		30,000
	PM Cares	1,01,000		1,01,000
	Cattle Feeds	6,25,470		6,25,470
3	Garments for Needy Persons	2,62,880	-	2,62,880

- J.** Balances with Trade Receivables, Trade Payables and loan and advances are subject to confirmation / Reconciliation.
- K.** In accordance with AS28 on “Impairment of Assets” the management during the year carried out exercise of identifying the assets that might have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31 March 2020.
- L.** Previous year figures have been regrouped / rearranged wherever considered necessary.
- M.** The notes referred to in Balance Sheet and the notes forming part of Statement of Profit and Loss account are integral part of the accounts.

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 010129S

Sd/-

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

UDIN: 20200304AAAANE2119

Place: Hyderabad

Date: 14.12.2020

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

Rupesh Kumar Gupta

Managing Director

DIN: 00540787

Amitabha Bhattacharya

(Chief Financial Officer)

Sd/-

Sailesh Gupta

Whole-time Director

DIN: 00540862

Chirag Partani

(Company Secretary
& Compliance Officer)

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Note 2.1 Share Capital

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
Authorised Capital		
1,56,83,800 Equity Shares of ₹10/- each (Previous year 1,56,83,800 shares of ₹10 each)	15,68,38,000	15,68,38,000
30,00,000 3% Series A Redeemable Non Cumulative Preference Shares @ ₹10/- each (Previous Year 30,00,000 Shares @ ₹10/- each)	3,00,00,000	3,00,00,000
33,16,200 0 % Series A Redeemable Non Cumulative Preference Shares of ₹10/- (Previous Year 33,16,200 0 % Series A Redeemable Non Cumulative Preference Shares of ₹10/-)	3,31,62,000	3,31,62,000
60,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Previous Year NIL)	6,00,00,000	-
Total	28,00,00,000	22,00,00,000
Issued Capital		
14400092 Equity Shares of ₹10/- each	13,23,34,300	14,40,00,920
30,00,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.	2,95,00,000	3,00,00,000
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each	3,31,62,000	3,31,62,000
60,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Previous Year NIL)	6,00,00,000	-
Total	25,49,96,300	20,71,62,920
Subscribed & Paid Up Capital		
1,32,33,430 Equity Shares of ₹10/- each (1,32,33,430 Equity Shares of ₹10/- each)	13,23,34,300	13,23,34,300
29,50,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each (Previous Year 28,54,028 Shares of ₹10/- each)	2,95,00,000	2,85,40,280
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each (Previous year 33,16,200 Shares of ₹10/-)	3,31,62,000	3,31,62,000
50,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Previous Year NIL)	5,00,00,000	-
Total	24,49,96,300	19,40,36,580

Reconciliation of No of Equity Shares at the beginning and at the end of the reporting period

	(Value ₹)			
Particulars	No. of Shares	Value	No. of Shares	Value
Issued, Subscribed & Paid Up Capital				
Equity Shares				
At the beginning of the period	13233430	13,23,34,300	10900092	10,90,00,920
Issued during the period	-	-	23,33,338	2,33,33,380
Convertible Preference Share Converted into Equity Shares	-	-	-	-
Bonus Issued during the period	-	-	-	-
At the closing of the period	13233430	13,23,34,300	13233430	132334300
3% Series A Redeemable Non Cumulative Preference Shares				
At the beginning of the period	28,54,028	2,85,40,280	-	-
Issued /(Converted) during the period	95,972	9,59,720	28,54,028	2,85,40,280
At the closing of the period	29,50,000	2,95,00,000	28,54,028	2,85,40,280

Note: Redemption on or before 23.03.2025

- The RNCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- The RNCPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

- The RNCPS shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- The payment of dividend shall be on Non cumulative basis for the RNCPS.
- The RNCPS shall be Non-convertible.
- The RNCPS shall be redeemable within a period of 5 years from the date of allotment at par on the Face Value of the preference shares.

	(Value ₹)			
Particulars	No. of Shares	Value	No. of Shares	Value
0 % Series A Redeemable Non Cumulative Preference Shares				
At the begining of the period	33,16,200	3,31,62,000	33,16,200	3,31,62,000
Issued during the period				
At the closing of the period	33,16,200	3,31,62,000	33,16,200	3,31,62,000

Note: Redemption on or before 31.03.2026

- carry a preferential right vis-i-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital
- be Non-participating in the surplus funds;
- be paid dividend on a non - cumulative basis.
- be redeemed at a premium of 5 % at any time within a period of 5 years from date of allotment or at a premium of 10 % at any time after a period of 5 years but within a period of 10 years from the date of allotment or at a premium of 20 % after a period of 10 years from the date of allotment at the option of the Board:
- have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act.

	(Value ₹)			
Particulars	No. of Shares	Value	No. of Shares	Value
0% Series B Compulsorily Convertible Non- Cumulative Preference Shares				
At the beginning of the period	-	-	-	-
Issued during the period	50,00,000	5,00,00,000		
At the closing of the period	50,00,000	5,00,00,000	-	-

Note: Convertible on or before 24.02.2030

- The 0% CCNCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- The 0% CCNCPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;
- The 0% CCNCPS shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- The payment of dividend shall be on Non cumulative basis for the 0% CCNCPS.
- The 0% CCNCPS shall be Compulsorily convertible into Equity Shares of the Company.
- The 0% CCNCPS shall be Non Redeemable Preference Shares.

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

(Value ₹)				
Name of the Shareholder	%	No. of shares	%	No. of shares
Rupesh Kumar Gupta	27.49%	36,38,292	27.49%	36,38,292
Sailesh Gupta	18.62%	24,64,000	18.62%	24,64,000
Rupesh Kr./Shailesh Kr./Rakesh Kr.	17.63%	23,33,338	17.63%	23,33,338
Rakesh Kumar Gupta	14.28%	18,90,000	14.28%	18,90,000
Parul Gupta	6.85%	9,05,968	6.85%	9,05,968
Sunita Gupta	6.13%	8,11,832	6.13%	8,11,832

Note 2.2 Reserves and Surplus

(Value ₹)		
	As at 31-03-2020	As at 31-03-2019
A. Securities Premium Reserve		
Opening balance of General Reserve	-	4,66,66,760
Add: Transferred from P&L Account during the year	4,85,95,840	4,85,95,840
At the closing of the period		
C. Surplus in the Statement of Profit and Loss		
Opening Balance	16,61,08,554	8,39,46,474
Add : Profit for the period	8,36,48,183	8,21,62,079
Less : Dividend Declared (inclusive of DDT)	79,40,058	-
Net Surplus in the Statement of Profit and Loss	24,18,16,678	16,61,08,554
Total (A+B)	29,04,12,518	21,47,04,394

Note 2.3 Long-term Borrowings

(Value ₹)		
	As at 31-03-2020	As at 31-03-2019
A. Secured Loans		
I. Term Loan From Canara Bank	17,94,00,000	18,92,38,324
(Term Loan Refer Note a)		
II. Term Loan From Canara Bank	12,50,000	41,90,000
(Term Loan Refer Note b)		
III. Vehicle Loan		
Vehicle Loan From HDFC Bank (Refer Note c)	21,61,134	-
Vehicle Loan From Kotak Mahindra Prime Ltd. (Refer Note d)	21,83,440	36,21,593
Vehicle Loan From Canara Bank (Refer Note e)	4,23,470	6,20,055
Sub Total	18,54,18,044	19,76,69,972

- a) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Jun’ 2019 till Mar’ 2024.
- b) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb’ 2017 till Oct’ 2021.
- c) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in monthly installments till May’ 2024.

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

- d) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan’ 2023
- e) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Canara Bank is repayable in monthly installments till Jan’ 2023

(Value ₹)		
	As at 31-03-2020	As at 31-03-2019
B. Unsecured Loans		
Unsecured Loans from Directors	1,10,16,185	2,77,67,185
Inter Corporate Deposit	4,30,40,000	4,30,40,000
Sub Total	5,40,56,185	7,08,07,185
C. Other Long-Term Liabilities		
Dues to Supplier	12,07,82,247	2,91,48,984
Sub Total	12,07,82,247	2,91,48,984
Total (A+B+C)	36,02,56,476	29,76,26,141

Note 2.4 Deferred Tax Liability (Net)

(Value ₹)		
	As at 31-03-2020	As at 31-03-2019
Opening balance	1,47,99,750	21,91,089
Deferred tax for the year	1,68,34,455	1,26,08,661
Closing balance	3,16,34,205	1,47,99,750

Note 2.5 Long-term Provisions

(Value ₹)		
	As at 31-03-2020	As at 31-03-2019
Provision for Gratuity	15,87,944	10,82,130
Total	15,87,944	10,82,130

Note 2.6 Short-term Borrowings

(Value ₹)		
	As at 31-03-2020	As at 31-03-2019
a) Working capital borrowings from Canara Bank (2.6 a)	26,52,41,248	14,94,36,015
b) Term loan from Canara Bank (Refer note 2.6 b)	6,00,00,000	5,00,00,000
c) Term loan from Canara Bank (Refer note 2.6 c)	29,40,000	29,40,000
d) HDFC Bank Car Loan (2.6 d)	5,62,724	1,17,290
e) Kotak Mahindra Prime (2.6 e)	11,03,841	7,17,886
f) Canara Bank Car Loan (2.6 f)	2,01,391	1,84,713
	33,00,49,205	20,33,95,904

- a) (The above loan is secured by way of charge and stock, receivables and hypothecation of assets, apart from the personal guarantees of the Directors & their family members.)
- b) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Jun’ 2019 till Mar’ 2024.

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

- c) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb’ 2017 till Oct’ 2021.
- d) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in monthly installments till May’ 2024.
- e) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan’ 2023.
- f) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Canara Bank is repayable in monthly installments till Jan’ 2023.

Note 2.7 Trade Payables

	As at 31-03-2020	As at 31-03-2019
Trade payables	2,84,89,567	4,79,28,735
Net (increase)/decrease in inventories	2,84,89,567	4,79,28,735

Note: Out of the said amount NIL amount pertains to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information has been given in respect of such vendors to the extent they could be identified as Micro, Small enterprises on the basis of information available with the company on records.

Note 2.8 Other Current Liabilities

	As at 31-03-2020	As at 31-03-2019
Other Liabilities	7,70,91,625	4,23,58,467
Payable to Capital Goods Supplier	2,62,35,889	96,35,335
Total	10,33,27,514	5,19,93,802

Note 2.9 Short-term provisions

	As at 31-03-2020	As at 31-03-2019
a) Provision for taxation	2,06,09,319	2,55,00,517
b) Provision for Gratuity	2,11,413	9,86,438
Total	2,08,20,732	2,64,86,955

Annexure - III

Depreciation as per Income Tax Rules Vide Clause No .of 14 of Form 3CD

Sl No	Description	GROSS BLOCK			DEPRECIATION			(Value ₹)
		As on 01-04-2019	Additions Before Sept.	After Sept.	Deletion	Total	Depreciation During the Year and Machinery @20%	
1	Land	2,23,980	-	2,00,44,480	-	2,02,68,460	-	2,02,68,460
2	Building @ 10%	7,17,77,125	19,88,025		-	7,37,65,150	73,76,515	6,63,88,635
3	Plant & Machinery @ 15%	28,71,39,949	6,26,48,975	2,07,58,907	-	37,05,47,831	5,40,25,257	27,62,95,767
4	Plant & Machinery @ 40%	1,44,15,997	62,33,355	66,91,669	-	2,73,41,021	95,98,075	1,77,42,946
5	Furniture @ 10%	5,64,565	49,682		-	6,14,247	61,425	5,52,822
Total		37,41,21,616	7,09,20,038	4,74,95,056	-	49,25,36,709	7,10,61,272	38,12,48,630

Note 2.10 Property, Plant and Equipment (PPE)

Sl No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK				(Value ₹)
		As on 31-03-2019	During the Year Addition	During the Year Deletion	Total As on 31-03-2020	Up to 31-03-2018	Transfer	During the year	Up to 31-03-2020	As on 31-03-2020	As on 31-03-2019			
1	Land	2,23,980	2,00,44,480		2,02,68,460	-	-		-	2,02,68,460	2,23,980			
2	Building	10,11,63,964	19,88,025		10,31,51,990	2,59,99,363		73,06,387	3,33,05,750	6,98,46,240	7,51,64,601			
3	Plant & Machinery	10,27,79,180	41,30,577		10,69,09,757	5,69,90,316		68,86,721	6,38,77,037	4,30,32,720	4,57,88,864			
4	Pollution Equipments	96,66,422	4,80,856		1,01,47,278	18,63,693		11,40,945	30,04,638	71,42,640	78,02,729			
5	Tools Components, Spare parts & Structural Steel	26,17,73,276	5,12,77,648		31,30,50,923	7,73,81,738		1,68,71,365	9,42,53,103	21,87,97,820	18,43,91,538			
6	Electrical Equipment	14,72,77,278	2,36,31,194		17,09,08,473	5,24,21,581		1,26,17,029	6,50,38,610	10,58,69,863	9,48,55,697			
7	Air Conditioner	3,52,249			3,52,249	1,69,567		25,435	1,95,002	1,57,247	1,82,682			
8	Motor Vehicle	1,60,05,443	41,23,682		2,01,29,125	98,01,488		29,46,880	1,27,48,368	73,80,757	62,03,955			
9	Office Equipments	13,62,323	2,44,781		16,07,104	4,19,972		4,97,124	9,17,096	6,90,008	9,42,351			
10	Rolls	2,20,98,314	1,23,41,880		3,44,40,194	1,06,65,490		28,76,402	1,35,41,892	2,08,98,302	1,14,32,824			
11	Computer	7,53,891	1,02,288		8,56,179	4,83,303		1,67,178	6,50,481	2,05,698	2,70,588			
12	Furniture	5,94,279	49,682		6,43,961	21,704		2,75,955	2,97,659	3,46,302	5,72,575			
13	Solar Panel	3,75,000			3,75,000	27,001		25,126	52,127	3,22,873	3,47,999			
Total		66,44,25,598	11,84,15,094	-	78,28,40,692	23,62,45,216	-	5,16,36,547	28,78,81,763	49,49,58,929	42,81,80,382			
Work in Progress					12,58,640									

Previous Year Total								(Value ₹)
Sl No	Description	As on 31-03-2018	During the Year Addition	During the Year Deletion	Total 31-03-2019	Transfer	Dep. During the year	
					Up to 31-03-2018	Up to 31-03-2019	As on 31-03-2018	As on 31-03-2018
	Work in Progress	336510173	327915424	-	664425598	214702336	21542880	121807838
					-	236245216	428180382	121807838

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Note 2.11 Long term loans and advances

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Deposit with Govt. Authorities	1,51,708	1,26,708
Rent deposit	42,000	42,000
Total	1,93,708	1,68,708

Note 2.12 Other Non Current Assets

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
IPO Expenses	-	15,40,900
Total	-	15,40,900

Note 2.13 Inventories

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
Raw material	7,38,46,714	11,24,62,185
Finished Goods	28,45,67,312	9,58,39,482
Stores & Consumables	23,69,35,217	18,18,17,650
Total	59,53,49,243	39,01,19,317

Note 2.14 Trade Receivables

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Outstanding for a period exceeding six months	2,22,10,324	86,11,534
Others	20,55,49,810	9,62,46,333
Total	22,77,60,134	10,48,57,867

Note 2.15 Cash and Bank Balance

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Cash on Hand	10,69,652	1,34,847
Balance with Bank		
On Current Accounts	3,79,629	3,96,63,716
Term Deposit Accounts	1,98,30,223	1,97,300
Note : Term Deposits are held as Margin for BG		
Total	2,12,79,504	3,99,95,864

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Note 2.16 Short-term loans and advances

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
(Unsecured and considered good)		
Advance Income tax	50,00,000	1,30,00,000
Advance to suppliers	2,02,06,793	26,55,836
GST Receivable	-	1,81,02,176
Advance to Employees	1,19,550	6,07,040
Deposit with TSSPDCL (Additional Consumption Deposits)	2,08,73,651	1,20,75,895
Advance to Capital Goods Suppliers	79,82,199	2,82,99,664
Total	5,41,82,193	7,47,40,611

Note 2.17 Other current assets

	(Value ₹)	
	As at 31-03-2020	As at 31-03-2019
(Unsecured and considered good)		
I.T.Refund Receivable	31,87,886	31,87,886
Insurance Claim Receivable	1,72,238	15,64,289
M.A.T. Entitlement	94,56,015	52,27,382
Other Receivable	2,63,501	17,600
Prepaid Exp.	12,74,408	8,22,622
Excise Duty Paid Under Protest	7,125	7,125
Interest Accrued On Deposit	-	15,117
Sales Tax Receivable	84,732	84,732
TDS Receivable	3,05,701	2,86,743
Gratuity Fund Deposit into LIC	17,99,357	12,08,038
T.C.S. Receivable	41,147	29,207
Total	1,65,92,110	1,24,50,741

Note 2.18 Revenue from Operation

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
(A) Sales		
Sales of Manufacturing goods	1,89,71,67,168	1,57,64,33,608
Gross Sales & Services	1,89,71,67,168	1,57,64,33,608
Less: Taxes & Duties	28,93,97,804	24,04,72,930
Net Sales	1,60,77,69,364	1,33,59,60,678
(B) Other Income		
Acturial Gain (Gratuity)	2,69,211	-
Exchange Fluctuation	19,783	4,082
Interest Received	37,78,312	31,91,031
Interest Subsidy	32,877	
Net Other Operating Income	41,00,183	31,95,113
Total Revenue from Operation (A+B)	1,61,18,69,547	1,33,91,55,791

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Note 2.19 Cost of materials consumed

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
(A) Raw Materials Consumed		
Opening Stock of Raw Material	11,24,62,185	7,72,92,684
Add: Purchase	1,01,45,93,726	84,27,92,043
	1,12,70,55,911	92,00,84,727
Less: Closing stock of Raw Material	7,38,46,714	11,24,62,185
(A) Raw Material Consumed	1,05,32,09,197	80,76,22,542
(B) Consumable Consumed		
Opening Stock of Consumable	18,18,17,650	14,73,89,973
Add: Purchase	9,72,27,211	6,77,42,972
	27,90,44,861	21,51,32,945
Less: Closing stock of Consumable	23,69,35,217	18,18,17,650
(B) Consumable Consumed	4,21,09,644	3,33,15,295
Total Cost of materials Consumed (A+B)	1,09,53,18,840	84,09,37,837

Note 2.20 Changes in inventories of work-in-process & finished goods

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
(A) Opening Stocks		
Finished goods	9,58,39,482	9,64,27,392
Total - A	9,58,39,482	9,64,27,392
(B) Closing stocks		
Finished goods	28,45,67,312	9,58,39,482
Total - B	28,45,67,312	9,58,39,482
(C) (Increase)/Decrease in stocks (A-B)	(18,87,27,830)	5,87,910

Note 2.21 Employee benefit expenses

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
Employees remuneration and benefits	4,47,70,217	4,06,22,912
Director Sitting Fees	3,50,000	2,04,750
Contribution to PF/ESI	7,31,687	6,95,810
#REF!	-	8,60,530
Remuneration to Managerial personnel	3,24,00,000	1,20,00,000
Staff welfare expenses	45,42,194	42,80,199
Total Employee Benefit Expenses	8,27,94,098	5,86,64,201

Note 2.22 Finance Costs

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
Interest on Term Loans	3,15,94,096	19,50,119
Interest on Vehicle Loan	6,00,691	4,87,738
Interest on Working Capital	2,36,14,209	1,76,51,617
Other Financial Charges	20,05,114	10,33,788
LC Commission	1,20,65,875	1,21,28,764
Total Finance Cost	6,98,79,986	3,32,52,026

Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

Note 2.23 Other expenses

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
Power & fuel	36,54,90,228	25,18,60,588
Job Work Charges	27,000	-
Repairs & Maintenance :		
Plant & Machinery	12,82,252	16,11,992
Building	6,72,819	-
Vehicles	3,83,956	3,45,668
Other Assets	2,75,694	71,251
Other selling & Distribution expenses	24,16,671	42,18,632
Travelling & Conveyance	28,33,307	9,73,830
Insurance	10,00,414	9,06,455
Rent	16,80,000	11,80,000
Rates & Taxes (Excluding Taxes on Income)	26,35,461	11,11,306
Remuneration to auditors :		
Audit Fee	1,08,000	1,08,000
Tax Audit Fee	32,000	32,000
Certification Fee /Taxation matter	60,000	60,000
Communication Expenses	3,39,084	3,01,628
Professional consultancy	25,84,202	24,25,879
Corporate Social Responsibility	11,90,550	6,25,255
Total Other Expenses	38,30,11,639	26,58,32,484

Note 2.24 Tax expenses

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
(A) Current Tax		
Current tax expenses	1,65,43,491	2,02,73,135
Mat Entitlement Paid/Utilised	40,65,828	52,27,382
(A) Current tax	2,06,09,319	2,55,00,517
(B) Deferred Tax	1,68,34,455	1,26,08,661

Note 2.25 Contigent liabilities & Commitments (to the extent not provided for)

	(Value ₹)	
	For the Period Ended 31-03-2020	For the Period Ended 31-03-2019
1) Contigent Liabilities :		
a) Claims against the Company not acknowledged as debts	351249	351249
b) Guarantees	131000	1,31,000
Note: The company does not force any liability arising out of the above mentioned liabilities. Therefore the company is not making any provision for the same.		
Total	4,82,249	4,82,249

NOTICE

NOTICE is hereby given that the **13th Annual General Meeting** of the Members of **Hariom Pipe Industries Limited** (Formerly Hari Om Concast and Steels Private Limited) will be held on Wednesday, the 30th day of December, 2020, at 04.00 P.M at the Registered Office of the Company situated at 3-4-174/12/2, 1st Floor, Samarpan, Lane beside Spencer's, Pillar No. 125, Attapur, Hyderabad-500048, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31 March, 2020 along with the Report of the Directors and the Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended 31 March, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Smt Sunita Gupta, who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary resolution**.

“RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta (DIN: 02981707), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **To ratify the remuneration of Cost Auditors for the financial year ending 31 March, 2021**
To consider & if thought fit, to pass, with or without modification (s), the following Resolution as a **‘Ordinary Resolution’**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2020-21 to M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31 March, 2021, amounting to ₹55,000/- (Rupees Fifty Five thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.”

4. **To approve the appointment and remuneration of Mr. Rupesh Kumar Gupta (DIN: 00540787) as Managing Director of the Company:**

To consider & if thought fit, to pass, with or without modification (s), the following Resolution as a **‘Special Resolution’**:

“RESOLVED THAT pursuant to the provisions of section 196, 197 & 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactments thereof, consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Rupesh Kumar Gupta (DIN: 00540787), as Managing Director for a period of 3(Three) years, with effect from 08th day of January, 2021, at consolidated remuneration of ₹1,80,00,000/- (₹ One Crore Eighty Lakhs Only) per annum, inclusive of any remuneration directly or otherwise or by way of salary and allowances, performance based rewards/ incentives, on the terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as explained in the explanatory statement annexed to the notice of the meeting in terms of Section 102 of the Act, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Rupesh Kumar Gupta.”

RESOLVED FURTHER THAT even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Act and such other approvals as may be required, Mr. Rupesh Kumar Gupta, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and / or Central Government, if required.

RESOLVED FURTHER THAT any of the Directors from the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

5. **To approve appointment and remuneration of Mr. Sailesh Gupta (DIN: 00540862) as Whole Time Director of the Company:**

To consider & if thought fit, to pass, with or without modification(s), the following Resolution as a **‘Special Resolution’**:

“RESOLVED THAT pursuant to the provisions of section 196, 197 & 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactments thereof, consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Sailesh Gupta (DIN: 00540862), as Whole Time Director for a period of 3 (Three) years, with effect from 08th day of January, 2021 at consolidated remuneration of ₹1,44,00,000/- (Rupees One Crore Forty Four Lakhs only) per annum inclusive of any remuneration directly or otherwise or by way of salary and allowances, performance based rewards/ incentives, on the terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as explained in the explanatory statement annexed to the notice of the meeting in terms of Section 102 of the Act, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sailesh Gupta.

RESOLVED FURTHER THAT even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Act and such other approvals as may be required, Mr. Sailesh Gupta, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and / or Central Government, if required.

“RESOLVED FURTHER THAT any of the Directors from the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

BY ORDER OF THE BOARD
For Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 14.12.2020

Notes:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the act”), relating to the Special Business to be transacted at the Annual General Meeting (“Meeting”) is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than Ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Attendance slip, proxy form are Annexed to the Report.
5. In terms of provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta, Director, retire by rotation at the meeting. The Board of Directors of the Company commend her respective re-appointment and the details of Director retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the “Annexure to the Notice.
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7 May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors. who were appointed in the Annual General Meeting held on 29 September, 2017.
7. Shareholders/ Proxies/ Authorised Representative are requested to bring necessary details of their Shareholding, attendance slip(s) and copies of annual report to the annual general meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
8. The Company's Registrars & Transfer Agents for its share registry is Bigshare Services Private Limited (“Bigshare”) having its office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059.

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item No. 3:

To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2021

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad to conduct the Audit of the Cost records of the Company at a remuneration of ₹55,000/- (Fifty Five Thousand Only) for the Financial year ending 31 March, 2021.

In Accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending 31 March, 2021 by passing an ordinary resolution as set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 4 & 5:

To approve reappointment and remuneration of Mr. Rupesh Kumar Gupta (DIN: 00540787) as Managing Director and Mr. Sailesh Gupta (DIN: 00540862) as Whole Time Director of the Company.

The term of Mr. Rupesh Kumar Gupta as Managing Director and Mr. Sailesh Gupta as Whole time Director of the Company expires on 08 of January 2021, the board directors of the Company have decided to reappoint them for a further period of 3 years from 08 January, 2021 as Key Managerial personnel on the Board of the Company.

A) Appointment of Mr. Rupesh Kumar Gupta as Managing Director

Pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made there under, the board of Director of the Company at their meeting held on 14.12.2020 has appointed Mr. Rupesh Kumar Gupta as Managing Director of the Company

for a period of 3 (Three) years with effect from 08 January, 2021, subject to the approval of the members.

In terms of the provisions of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, being inadequate profit making Company, it shall obtain approval of the members by passing special resolution, if the remuneration paid to its Whole Time Director/ Executive Director exceeds the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Companies Act, 2013.

The remuneration payable to the abovementioned Director is given below:

Remuneration:

i) Basic Salary:

Current Basic Salary of ₹1,80,00,000/- (Rupees One Crore Eighty Lakhs) per annum;

ii) Benefits, Allowances and Perquisites: NIL

B) Appointment of Mr. Sailesh Gupta as Whole Time Director

Pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made there under, the board of Director of the Company at their meeting held on 14.12.2020 has appointed Mr. Sailesh Gupta as Whole Time Director of the Company for a period of 3 (Three) years with effect from 08.01.2021, subject to the approval of the members.

In terms of the provisions of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, being inadequate profit making Company, it shall obtain approval of the members by passing special resolution, if the remuneration paid to its Whole Time Director/ Executive Director exceeds the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Companies Act, 2013.

The remuneration payable to the abovementioned Director is given below:

Remuneration:

i) Basic Salary:

Current Basic Salary of ₹1,44,00,000/- (Rupees One Crore Forty Four Lakhs) per annum;

ii) Benefits, Allowances and Perquisites: NIL

THE FOLLOWING ADDITIONAL DETAILED INFORMATION AS PER SECTION – II OF SCHEDULE V IS AS FOLLOWS:

I. General Information:				
a)	Nature of industry	Manufacturing and Trading		
b)	Date or expected date of commencement of commercial production.	Since incorporation		
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
d)	Financial performance based on given indicators.	Particulars	2019-20	2018-19
				2017-18
		Revenue	1,61,18,69,547	1,33,91,55,791
		Profit before Tax	11,79,56,267	11,83,38,453
		Provision for Taxation	2,06,09,319	2,55,00,517
		Profit/(Loss) after tax	8,36,48,183	6,48,15,187
e)	Foreign investments or collaborators, if any	No Foreign Investments or Collaborations.		
II. Information about the appointees:				
a)	Background details	Mr. Rupesh Kumar Gupta, aged about 44 years, is the founder and promoter of the Company. He is also the Managing Director of the Company from past 3 years.	Mr. Sailesh Gupta, aged about 44 years, is a B. Com Graduate with the experience of more than 10 years in Marketing. He is Co-Founder of the Company.	
b)	Past remuneration	The remuneration drawn by Mr. Rupesh Kumar Gupta during the past Two Years is as follows:	The remuneration drawn by Mr. Sailesh Gupta during the past Two Years is as follows:	
		Financial Year	Amount (₹)	Financial Year
		2019-20	1,80,00,000	2019-20
		2018-19	60,00,000	2018-19
				60,00,000
c)	Recognition or awards	Nil		
d)	Job profile and his suitability	Mr. Rupesh Kumar Gupta, has been serving the Company since inception in the capacity of a Director/Managing Director. Over the period of time Company has grown up manifold on various parameters. This growth to the large extent is attributable to the hard work and decision of the director. In view of their Vital position, the board proposes to reappoint Mr. Rupesh Kumar Gupta, as Managing Director of the Company.	Mr. Sailesh Gupta has been serving the Company over a long period of time. The director has contributed a lot for the continuous growth of the Company. In view of their Vital position, the board proposes to appoint Mr. Sailesh Gupta as whole time Director of the Company.	
a)	Remuneration proposed	As mentioned in the resolution.	As mentioned in the resolution.	
f)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	In the past few years, the remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to be paid to the Managing Director/ Whole time Director is purely based on merit. Further, the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile before approving the remuneration as proposed hereinabove.		
g)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Not Applicable	Not Applicable	
III. Other information:				
a)	Reasons of loss or inadequate profits	Since the Company has started its operations during the year 2007, Company has completed 13 years of its operations; The profits of the Company are inadequate, though the profits have increased from the previous financial year.		
b)	Steps taken or proposed to be taken for improvement	The Company has initiated certain steps to improve the quality of their products and have also added new products in its offering also initiated new marketing strategies of their products.		
c)	Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improving margins in next year.		
IV. Disclosures:				
1. The remuneration package of all the managerial persons are given in the respective resolutions.				

The appointment of Mr. Rupesh Kumar Gupta & Mr. Sailesh Gupta is appropriate and in the best interest of the Company. Thus, the Board of Directors recommends the resolution set out at Item No. 4 & 5 of the notice for your approval, by passing Special Resolution.

Mr. Rupesh Kumar Gupta & Mr. Sailesh Gupta and their relatives may be deemed to be interested in the respective resolutions proposing the appointments set out at Item No. 4 and 5 in the Notice.

Save and except the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 4 and 5 in the Notice.

BY ORDER OF THE BOARD
For Hariom Pipe Industries Limited
(Formerly Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 14.12.2020

Annexure to the Notice dated 14 December, 2020

Details of Directors Retiring by Rotation/ Seeking Appointment at the 13th Annual General Meeting of Members of the Company

INFORMATION PURSUANT TO 1.2.5 OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS- 2) REGARDING DIRECTOR SEEKING APPOINTMENT:			
Name of the Director	Smt Sunita Gupta	Rupesh Kumar Gupta	Sailesh Gupta
Age	64 years	44 years	39 years
Qualifications	Undergraduate	Undergraduate	Commerce graduate
Experience	Director of the Company since 01.10.2014	Promoter and Director of the Company since Incorporation	Working as Director in the Company for more than 10 years
Terms and conditions of appointment or reappointment	i) Non-executive Director of the Company, liable to retire by rotation.	i) Tenure of this appointment shall be three years with effect from 08th January 2021 ii) The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act. iii) The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made there under. iv) The separation from this engagement could be effected by either side giving One months' notice.	i) Tenure of this appointment shall be three years with effect from 08th January, 2021. ii) The Whole Time Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act. iii) The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made there under. iv) The separation from this engagement could be effected by either side giving One months' notice.
Last drawn remuneration	Nil	₹15,00,000/- p.m.	₹12,00,000/- p.m.
Date of first appointment on the Board	Appointed as Director on 01.10.2014. Changed designation as Non Executive Director w.e.f 06.10.2017	Appointed as First Director of the Company from 21st day of June, 2007 (Since Incorporation of the Company)	Appointed as Additional Director of the Company on 09th day of January, 2010.
No. of share held	8,11,832 (Eight Lakhs Eleven Thousand Eight Hundred and Thirty Two) Equity Shares of ₹10/- (Rupees Ten Only) each. 8,00,000 (Eight Lakhs) 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each 10,50,000 (Ten Lakh Fifty Thousand) 3% Series A Redeemable, Non Cumulative Preference Shares (3% RNCPS) of ₹10/- (Rupees Ten Only) each	36,38,292 (Thirty Six Lakhs Thirty Eight Thousand, Two Hundred and Ninety Two) Equity Shares of ₹10/- (Rupees Ten Only) each. 20,00,000 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each	20,24,000 (Twenty Lakhs Twenty Four Thousand) Equity Shares. 3,66,200 0% Series A Redeemable Non-Cumulative Preference Shares. of ₹10/- (Rupees Ten Only) each 17,00,000 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each
Relationship with Directors, Managers & KMP	Mother of Rupesh Kumar Gupta, managing Director and Sailesh Gupta, Whole time Director. Mr. Rakesh Kumar Gupta (Adviser to Strategy and Finance) is Husband	Mrs. Sunitha Gupta (Non Executive Director) is mother. Mr. Sailesh Gupta (Whole Time Director) is Brother. Mr. Rakesh Kumar Gupta (Adviser to Strategy and Finance) is Father.	Mrs. Sunitha Gupta (Non Executive Director) is mother. Mr. Rupesh Kumar Gupta (Managing Director) is Brother. Mr. Rakesh Kumar Gupta (Adviser to Strategy and Finance) is Father.
Number of Board Meeting attended during FY 2020	11	11	11
Other Directorship	- Ansh Commerce Private Limited	- Reo Solutions Private Limited	NIL
Chairman/ Member of the Committees of Boards of other companies.	N.A.	N.A.	N.A.

NOTES

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CORPORATE INFORMATION

Board of Directors

Pramod Kumar Kapoor
Chairman and Independent Director

Rupesh Kumar Gupta
Managing Director

Sunita Gupta
Non-executive Director

Sailesh Gupta
Whole-time Director

Santosh Kumar Rathi
Independent Director

Registered Office

Hariom Pipe Industries Limited
SAMARPAN, 3-4-174/12/2
1st Floor, Lane beside Spencer's,
Pillar No.125, Attapur, Hyderabad,
Telangana - 500 048, INDIA.
Phone: +91 040-24016101
website: www.hariompipes.com
Info: info@hariompipes.com

Corporate Identity Number

U27100TG2007PTC054564

Company Secretary

Chirag Partani
Company Secretary and
Compliance Officer

Registrar and Share Transfer Agents (RTA)

Bigshare Services Private Limited
Flat 306, Right Wing 3rd Floor,
Opp Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
Hyderabad- 500 082, Telangana.

Corporate Identity Number

U99999MH1994PTC076534

Bankers

Canara Bank
MID Corporate Branch,
5-9-22/1/4C & 4D, 1st Floor,
Damayanthi Chambers,
Opposite to New MLA Quarters,
Hyderabad
Phone: 040-23436954
email id: cb4926@canarabank.com



HARIOM PIPE INDUSTRIES LIMITED
Samarpan, 3-4-174/12/2
1st Floor, Lane beside Spencer's,
Pillar No.125, Attapur, Hyderabad,
Telangana - 500 048, INDIA.

PHONE: +91 040-24016101
WEBSITE: www.hariompipes.com
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Annual Report 2020-21



GROWING OUR
INTEGRATED EXCELLENCE

Inside this report

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Key highlights 2020-21



FINANCIAL

(₹ in lakhs)

↑58.13%

25,482.31

Revenue

↑46.56%

3,496.72

EBITDA

↑91.34%

1,513.20

PAT



OPERATIONAL

↑32.90%

1,40,497 MTPA

Capacity utilisation

↑13.60%

3,00,832 MTPA

Production capacity



SOCIAL

52 hours

Average person-hours of training, provided to every employee

₹27.93 lakhs

CSR expenditure



Growing our integrated excellence

Supported by our integrated capacity following a recent acquisition, we are expanding the depth and breadth of our operations across various markets in southern and western India.

The reporting year saw a significant increase in our manufacturing capacity as well as capacity utilisation. During the year, we also focused more on the manufacture of premium products. This strategy will help us build a stronger brand recall and command attractive margins for our products.

Our existing product line-up is also being expanded to address the changing requirements of our customers. We are also improving our manufacturing processes to attain higher efficiencies and optimise the utilisation of resources. This we are doing through digitalisation and automation.

As a responsible corporate we are also mindful of the impact of our operations on the environment and the community, and are taking various measures to minimise our environmental footprint in consultation with all stakeholders.

Corporate identity

Delivering with integrated solutions

Founded in 2007, Hariom Pipe Industries Limited (HPIL) belongs to the esteemed Hariom Group.

Over the years, we have emerged as one of the fully integrated premium-quality finished steel manufacturers with dominance in the South Indian market.

We are an integrated manufacturer of Mild Steel (MS) Pipes, Scaffolding, HR Strips, MS Billets, and Sponge Iron. We use iron ore to produce sponge iron which is then processed across various stages to manufacture our final products - MS Pipes and scaffolding, thereby making our manufacturing process cost-effective.

Our recently acquired and now live sponge iron unit provides us backward integration in addition to our existing forward integration capacity.



Our Vision

To be one of the top-notch iron and steel suppliers in our segment, catering to industry needs



Our Mission

To develop our nation and make it a better place to live by building a robust economy coupled with strong infrastructure

Our clientele









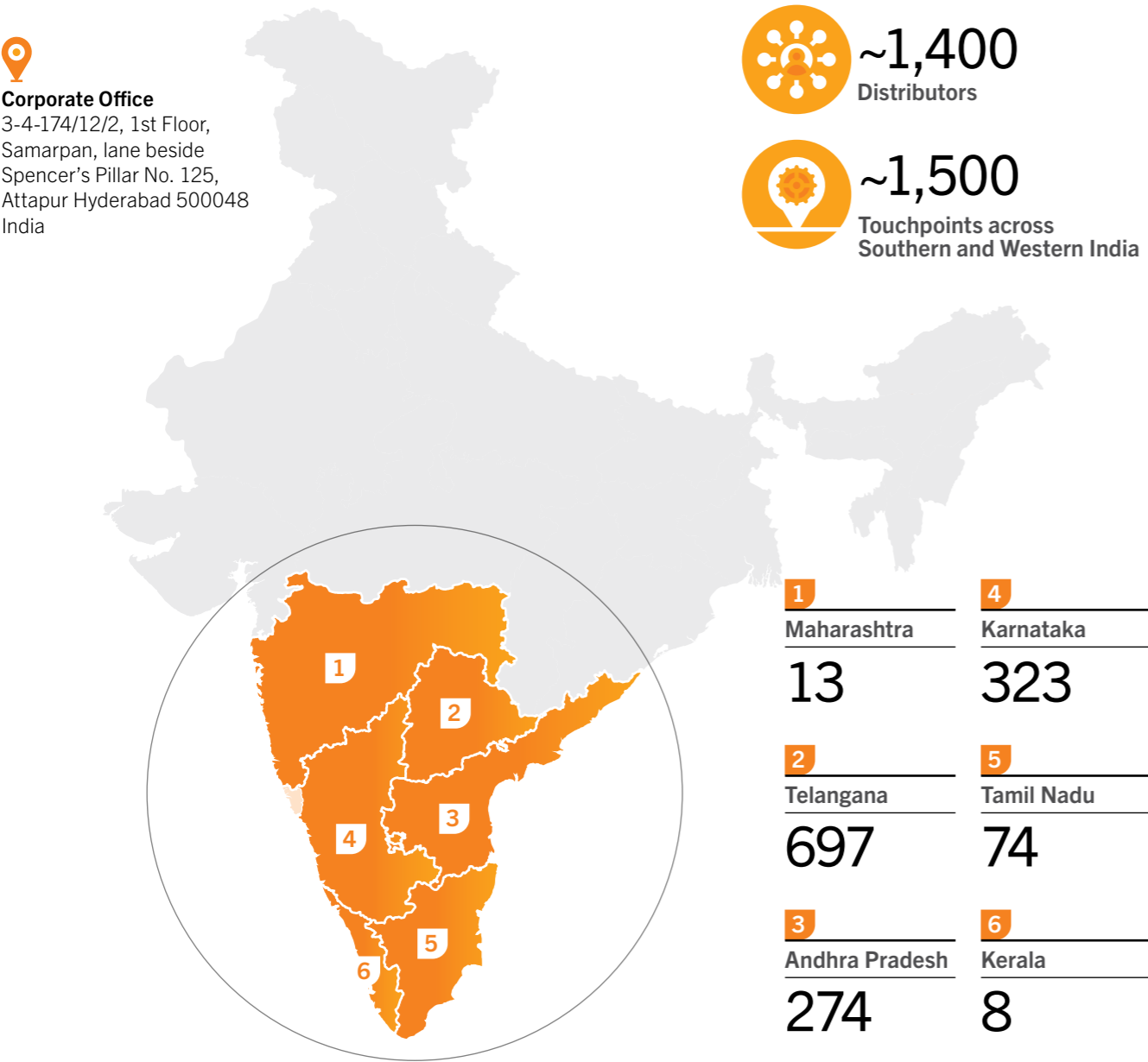


Our presence

Growing prominence in diverse markets

Over the last decade, we have established our presence in the southern states of India and continue to deepen our footprint in the markets where we operate. In line with our expansion strategy, we are strengthening our distribution network in the neighbouring western states and Union Territories.

Dealer Network



Our products

Our diverse offerings

We are a one-stop solutions provider to various customers. Our products find applications across multiple industries, including infrastructure and real estate, agriculture and irrigation, automotive, solar, fabrication and engineering.

We offer our customers ~200 high-quality products specs across the value chain. Over the years, we have created a strong market recall as a result of our premium quality products.



Sponge Iron

The steel-melting scrap and sponge iron is used in the ratio of 30/70 for producing finished steel products. We recently forayed into sponge iron manufacture with production at our recently acquired unit



MS Billets

The MS billets as product and key input for the rolling mill to produce HR strips. We develop a wide range of best-quality billets for manufacturers of quality steel products to rolling mills



HR Strips

These products are processed after the HR operation is conducted on MS billets in the rolling mill. We manufacture best-in-class H.R. Strips highly durable products using the latest technology



MS Tubes & Pipes

The pipes and tubes are made from strips of Hot-Rolled (HR) steel passed through forming rolls and welded into various shapes. We develop superior quality round steel pipes, square steel pipes, rectangular steel pipes and D-shaped pipes and railing pipes



Scaffolding

Scaffoldings are temporary platforms used to elevate and support workers and materials primarily during the construction, repair, or cleaning of a structure or machine. We offer our customers, products tailored to their requirements



Key Application & Downstream Industries

Self-consumption and as raw material by other steel manufacturers	Rolling of TMT Re-Bars of Fe500 and Fe550 Grades and various other structural steel products such as round bar, flat bar, along with application as angles, channels and girders		For simple bends, complex draws & structural applications in different industrial setups	Residential as well as commercial applications across multiple industries	Construction industry
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Key Differentiator

Provides backward integration and quality control, along with an opportunity to monetise excess production to other users.	Wide range of premium quality products with option to customise in terms of dimensions to specific requirements.		Technology driven premium quality product available in varied shapes and sizes	Products are available in varied diameter and thickness to cater to range of audience	Customisable premium quality products as per the requirement of the client
--	--	--	--	---	--

Our strengths

Core competencies help us deliver proactively

We leverage the inherent strengths of our business to create sustainable value for our stakeholders. Our integrated and eco-friendly operations and strategic location of manufacturing units provide us competitive advantages.



Fully-integrated operations

We have strengthened our operations through a combination of organic and inorganic growth initiatives. Our sponge iron units solidifies our backward integration and gives us a substantial cost benefit and better control on the entire value-chain. Going forward, this will help us ensure improved quality levels at every stage of the production process along with a quicker turnaround owing to the reduction in the time spent on sourcing materials.



Green manufacturing process

We are working extensively towards reducing our carbon footprint for several years. Our efforts are validated by the installation of the hot charging process of manufacturing, which in turn, has significantly reduced our dependence on coal and power. Besides, we have installed pollution control equipment and have taken substantial initiatives towards water treatment and conservation. We also place great emphasis on ensuring that we regularly plant saplings in and around the areas of our manufacturing units.



Strategic location of units

- Both our manufacturing units are strategically located in and around key industrial hubs, that provides us with certain advantages over our peers, like ease of logistics and adequate supply of power, water, raw materials and manpower.
- » Our Unit I is located in Mahabubnagar District, which is in close proximity to Hyderabad and the Jadcherla industrial area
 - » Our Unit II is located in Anantapur District in Andhra Pradesh, which is around eighteen 18 kms away from Bellary, one of the hubs in South India for iron ore production



Cost advantage in manufacturing

Over the years, we have synchronised all our manufacturing processes in a way that ensures that there is no delay between them, which, in turn, has resulted in increased cost savings and efficiency. We also have a 32 KVA dedicated feeder for our furnace in Unit I, which makes us eligible for obtaining private power from IEX through the online bidding process, against our contracted load of 9,999 KVA with TSSPDCL with fixed power cost. As a result, we always have the option of receiving uninterrupted supply of power from IEX at competitive rates during the peak agricultural season. In addition to this, the installation of the hot charging process has resulted in significant savings from reduced coal and power usage. Besides this, we have made concerted efforts to integrate some flexibility in our manufacturing process, which enables us to customise our products (thickness, length, etc.), to ensure better margins



Experienced leadership

Our promoters and senior management team possess years of industry experience and are well-equipped to counter any headwinds that may come our way. Our promoters Mr. Rupesh Kumar Gupta and Mr. Sailesh Gupta possess more than a decade's experience in this industry and are actively involved in the day-to-day operations of the business. They are supported by an extremely qualified senior management team, who have led us through every stage of our growth journey.

Message from the Managing Director

Building robust value that lasts



Rupesh Kumar Gupta
Managing Director

I am of the firm belief that our capacity additions, coupled with our initiatives to automate processes and increase capacity utilisation, will enhance our revenues and margins over the foreseeable future. Our commitment to ESG under the broad framework of sustainability also remains strong. We will continue to improve our ESG performance to amplify value for all stakeholders.

Dear Stakeholders

FY2020-21 has been overwhelmingly challenging for all of us. From a health crisis COVID-19 snowballed into a humanitarian crisis of unprecedented proportions worldwide. India was also hit hard, especially by the second wave of the virus. However, the accommodative fiscal and monetary policies of the Government of India and the Reserve Bank of India (RBI) helped cushion the impact. The worst is now already behind us and the overall demand scenario in the steel sector in India is looking up, with infrastructure, construction and housing demand contributing significantly to the demand.

Integration of value chain

We are happy to share that during the year we commenced our operations at our recently acquired sponge iron plant near Bellary, Andhra Pradesh. The backward integration will help us significantly improve cost efficiency and enable a quicker turnaround by reducing dependence on external sources. Most importantly, the unit will help ensure quality at every stage, providing better control on the entire value chain.

Performance review

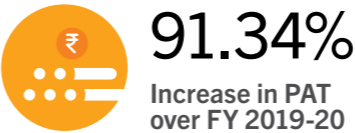
I am delighted to share that we have steadily grown and evolved as an organisation creating substantial value for our stakeholders. The last year though challenging especially with the shutdown and restriction in movement has been overall rewarding for us. Our revenues grew by 58.13% to ₹25,482.31 lakhs in FY 2020-21 as against ₹16,115.05 lakhs in FY 2019-20. Our Profit After Tax for the fiscal under review stood at ₹1,513.20 lakhs compared to ₹790.83 lakhs in the previous year, registering a staggering growth of 91.34%, while our EBITDA touched ₹3,496.72 lakhs, an increase of 46.56% over the previous year.

The improvement in our performance can be attributed to our de-bottlenecking initiatives to improve capacity utilisation, reduce manufacturing costs and decrease plant turnaround time, undertaken throughout the course of the year. We also undertook initiatives to further optimise our power consumption to improve cost and reduce our environmental impact.

Future remains optimistic

As the Indian economy recovers from the pandemic, the gradually stabilising industrial scenario with people adjusting and adapting to the new normal bodes well for the industry. We are positive that we will be able to sustain our growth momentum, supported by pro-growth government policies such as Atmanirbhar Bharat and National Steel Policy vision for 2030-31. Moreover, as the steel industry enters an upcycle, we will see improved spreads supported by robust demand and better price realisations.

The decisions that we have undertaken over the last few years give us the operational and financial strength needed to capture the opportunities that emerge.



I am of the firm belief that our capacity additions, coupled with our initiatives to automate processes and increase capacity utilisation, will enhance our revenues and margins over the foreseeable future. Our commitment to ESG under the broad framework of sustainability also remains strong. We will continue to improve our ESG performance to amplify value for all stakeholders.

I must thank each and every member of our team for their relentless efforts in making HPIL a prominent player in its space. I am also grateful to our customers, bankers, business partners, government authorities and all our stakeholders for their support and assistance throughout our journey.

On behalf of the Board and the entire leadership team, I solicit your continued cooperation for all our present and future endeavours.

Regards,
Rupesh Kumar Gupta
Managing Director



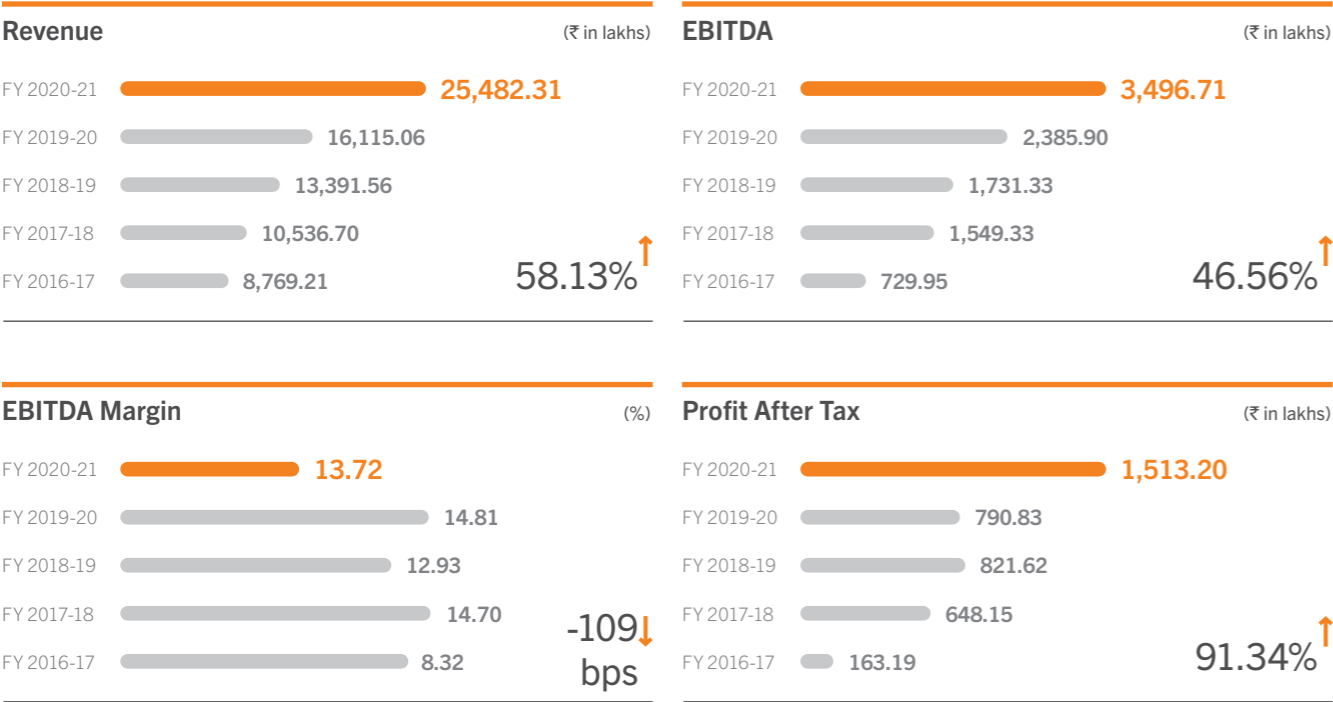
Key Performance Indicators

Resilient amid headwinds

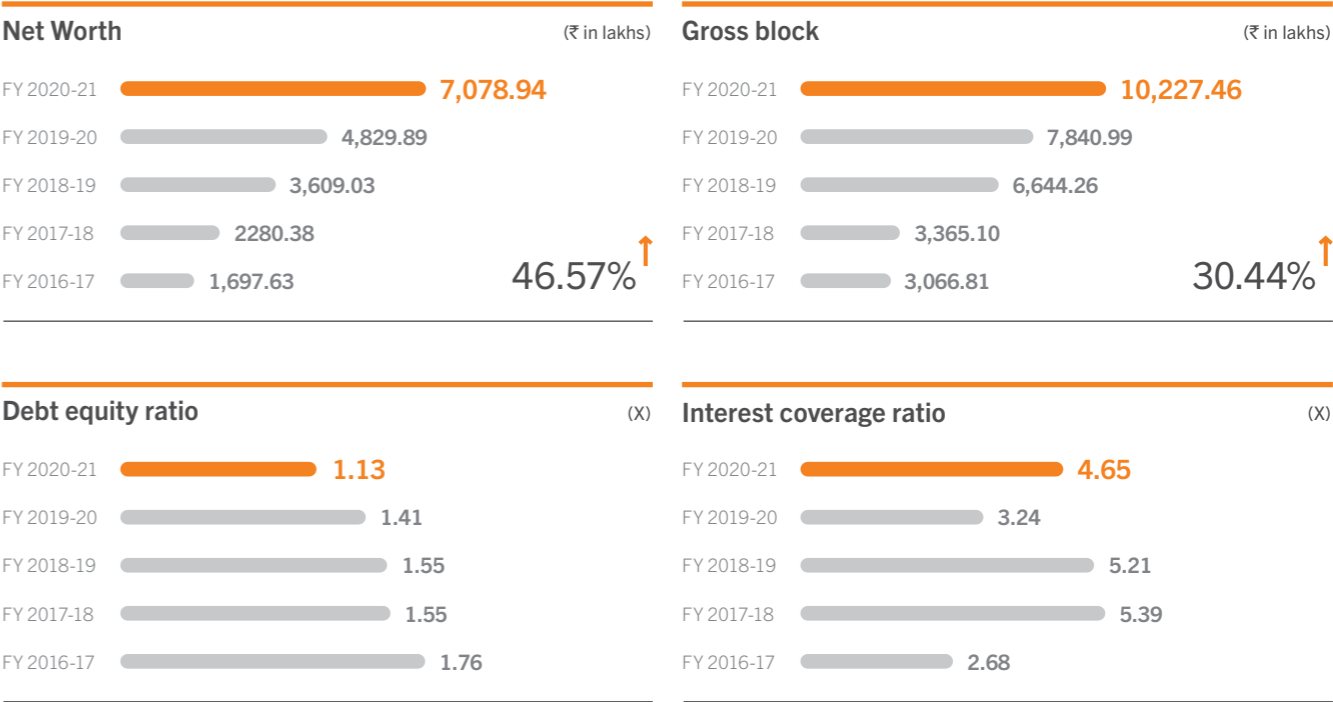
↑ y-o-y growth



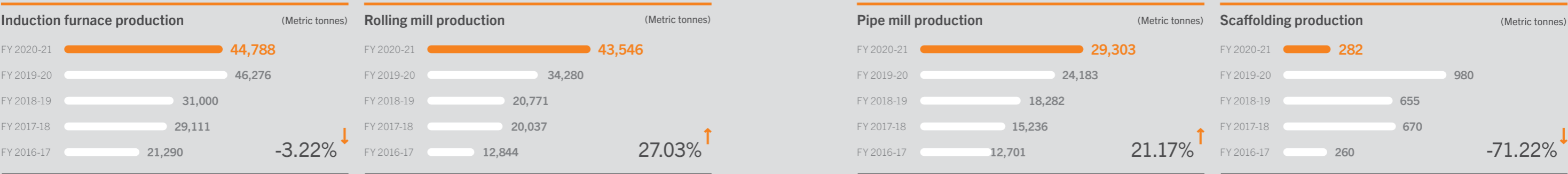
Profit & loss indicators



Balance sheet indicators



Operational indicators





Our strategic priorities

Reaching higher benchmarks consistently

We focus on amplifying value for our customers and stakeholders by pursuing macro growth opportunities and by attaining higher efficiencies in our operating environment. The objective is to strengthen our margins sustainably in a largely volatile operating landscape.



Our strategic priorities



Deepening and widening footprint

We have progressively solidified our presence in the markets of southern and western India, through well-established distribution channels. Going forward, we will focus on strengthening our presence in existing markets, along with expanding into unexplored ones.

We also plan to develop our domestic sales network in those territories, where we can meet significant demand and sell at price-points that can effectively offset higher transportation costs.



Expanding capacity

We embarked on our capacity expansion journey to build greater scale and expand our portfolio of value-added products. We have plans of setting up two additional pipe mills adjacent to the Unit I, which will increase our MS Pipe manufacturing capacity from 84,0000 MTPA to 1,32,000 MTPA.

We will also be expanding our furnace unit capacity from 95,832 MTPA to 1,04,232 MTPA. Our objective of becoming an end-to-end and cost-effective manufacturer was validated through the acquisition of sponge iron manufacturing facility in September, 2020, as part of our backward integration initiatives. Going forward, we will continue to explore further backward and forward integration opportunities.



Focusing on premiumisation

Along with increasing our capacity and utilisation rates, we plan to strategically focus on premium value-added products including pipes and scaffolding. We believe that we are attractively placed to leverage our integrated capacities to further improve our margins.

We will also be expanding our product portfolio in our existing verticals to better serve the evolving customer requirements.



Achieving better manufacturing efficiencies

We strive to step up our productivity levels through optimum resource utilisation, improvement in manufacturing processes, skill up-gradation of our workers and modernisation of machinery to achieve better asset turnover, among others.

We will continue to work towards identifying bottlenecks and eliminating them. We have a formidable talent pool of qualified chemists and engineers, who conduct experiments to create innovative prototypes to enhance our manufacturing processes.



Accelerating digital transformation

We are expediting digital adoption across the operational canvas to drive enterprise-wide transformation.

We plan to significantly automate our production process across verticals starting from logistics to materials management. The upgradation will enable us to further improve our product quality as products are manufactured with better precision in a cost-effective manner along with improved productivity and workplace safety.



Environment

A pledge towards a greener tomorrow

We are committed to reduce our environmental footprint through a systematic and process-oriented approach. We persistently attempt to minimise any adverse impact of our operations on the people, planet and communities we work with. Our operations are conducted under the aegis of the foundational principles of Reduce and Recycle for sustainable value creation.



As part of our commitment to a circular economy, we recycle scrap steel, using it as a primary material in our production process. We have policies and processes in place for reducing energy usage and minimising our environmental footprint across the value chain. We have undertaken multiple operational initiatives to further reduce freshwater intake, cut down emissions and increase the proportion of renewable power in our energy mix. We make conscious efforts to generate local employment and promote local economy as we grow in scale and size.

 **30%**
Share of steel scrap as raw materials



Water Management

Water conservation and management is critical to preserve the natural ecosystem and biodiversity. We have undertaken several measures to reduce our consumption, recycle and harvest this resource. Alignment of our water conversion and management policy is an essential factor while making decisions, either for a new project or expansion of an existing one.

1.75%
Reduction in freshwater consumption over FY 2020-21



Emissions

We monitor and strategise to the extent possible any impact that our operations may have on air quality and implications that this may have on employees, local communities, and broader environment.



Biodiversity

We have pledged to increase the green cover around the area we operate in to maintain the flora and fauna of the area we operate to mitigate to some extent our environmental footprint. We constantly take part in initiatives such as planting trees to increase the green cover in areas surrounding the factory, especially under the government's flagship programme Telangana Haritha Haram scheme.

450
Saplings planted in FY 2020-21

*All metrics are a comparison over the previous year

Social

Enduring relationships

Our long-term relationships with society including our customers, employees, suppliers, partners and communities are key to our business sustainability. We believe a successful business is built on time-tested relationships based on mutual trust, respect and benefits, nurturing them is fundamental to our strategy.



Our strong social relationships provide the requisite confidence to drive sustained growth through not only business and economic cycles but even during unprecedented times like the pandemic. Our sensitivity to emerging customer needs with improved and diverse product basket, providing a cohesive work environment, creation of mutual value with suppliers and partners, and commitment to improve lives in the communities we serve has contributed to creating significant value for our stakeholders.



Customers

Since our inception, our biggest priority has always been to ensure customer satisfaction and have worked tirelessly in this regard. Our commitment is echoed in the multiple initiatives undertaken to enhance customer satisfaction over the years. We have taken our customer-service beyond providing a diversified quality-driven product basket to include additional services like providing support team for training of fabricators, dedicated customer service team to understand requirements of key customers and customer training and extending of credit.

45%

Clients associated with us for >5 years



Employees

Our people are the foundation and our core strength, it is their commitment and dedication that enables to constantly grow. We aim to create a conducive work environment that augments employee productivity and satisfaction and our practices have been designed to promote an inclusive and healthy work environment. We also invest year after year in leadership development and capability building for all our employees equipping our employees with the relevant skills and abilities. During the year, our primary focus was on maintaining health and safety of our employees while maintaining continuity of our business operations. As a result of this focus, no injuries were recorded during the year.



Community development

We undertake a multitude of initiatives in the areas of healthcare, education, skill development and women empowerment, among others. Besides our regular initiatives, we undertook multiple initiatives to educate and help curb the spread of the COVID-19 virus in the areas around our manufacturing units, along with distributing essentials like sanitisers and masks.

₹27.93 lakhs

CSR spend in FY 2020-21

Governance

Driven by energised leadership

Our corporate governance philosophy, articulated in our framework, is embedded in our culture and backed by our core values.

We have put in place well-defined decision-making and monitoring processes to uphold best-in-class governance standards, which ensure a proper balance of authority and accountability. The Board maintains an oversight over all functions and ensures the seamless operation of business with the senior management reporting to the Board of Directors on a periodic basis.



Corporate Governance Philosophy



Transparency



Accountability



Awareness



Ownership

Board of Directors

Our Board sets the course and evaluates the organisation's performance every quarter or earlier if required. The board consisting of Six members, including three Independent Directors who brings in diverse skills and expertise in the fields of sales and marketing, business management, leadership and governance, legal and regulatory matters, finance, accounts and risk management, and relevant technologies.



Pramod Kumar Kapoor
Chairman and Independent Director



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-Time Director



Sunita Gupta
Non-Executive Director



Shanti Sree Bolleni
Independent Director



Rajender Reddy Gankidi
Independent Director

Management team

The management team leads the business with strategic focus, expertise, and proactive risk management, under the guidance and supervision of the Board. We have a diversified management team consisting a mix of experienced and dynamic young members who are responsible for our operations.

The rich experience of our management team in the steel industry drives our growth through their vision and strategies. While the young and new generation members help us in connecting and understanding the world from a new light and help keep up with changing times



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-time Director



Amitabh Bhattacharya
Chief Financial Officer



Chirag Partani
Company Secretary & Compliance Officer



Ashish Agarwal
Marketing Head



Management Discussion and Analysis

Economic review

The onset of the pandemic in March 2020, brought about with itself trepidation across the world. Government of India (GoI), as a precautionary measure to combat the COVID-19 virus, closed its borders sending ~1.4 billion into one of the stringiest lockdowns in the world. The policy of ‘lives over livelihoods’ sent the economy into a tailspin, with most key sectors ending the year in red though the impact differed depending on multiple macro and micro factors impacting the industry. The Indian economy contracted by a whopping 7.3% in FY 2020-21 in terms of GDP and 6.2% in terms of Gross Value Added (GVA). The countermeasures against

COVID-19 led to the Indian economy contracting by 22.4% during the first quarter of the year- the worst contraction in recorded history of the country.

The economy saw a V-shaped recovery with a phased lifting of lockdown restrictions from June 2020 onwards resulting in gradual resumption of economic activity. Synchronised fiscal and monetary policy by the government and Reserve Bank of India (RBI), provided the required government support to reboot the economy. The recovery gained further momentum in the second half of the year driven by pent-up demand and festive buying.

GVA at Basic Price by Economic Activity for 2020-21 (at 2011-12 prices)					(in %)
	Q1	Q2	Q3	Q4	FY 21
Agriculture & Allied Activities	3.5	3.0	4.5	3.1	3.6
Mining & Quarrying	(17.2)	(6.5)	(4.4)	(5.7)	(8.5)
Manufacturing	(36.0)	(1.5)	1.7	6.9	(7.2)
Construction	(49.5)	(7.2)	6.5	14.5	(8.6)
Finance, Insurance, Real Estate & Business Services	(5.0)	(9.1)	6.7	5.4	(1.5)
GVA	(22.4)	(7.3)	1.0	3.7	(6.2)

Government stimulus

Indian government announced one of the world’s biggest fiscal and monetary policy stimuli under AatmaNirbhar Bharat Abhiyan to support economy and fast-track recovery. The package announced with a clarion call for a self-reliant India, over a period of May-Nov 2020 is worth ~15% of the GDP. It aims at development by working on five fundamental pillars – an economy which brings in quantum leaps and not just incremental change, infrastructure which will become the identity of modern India, systems that are technology-led, India’s vibrant demography which will lead to the country self-reliance and full utilisation of the strength of the country demand and supply .

Budget 2021-22

Production Linked Incentive scheme (PLI)

Providing a much-needed boost to the manufacturing sector to reach the target of a \$5 trillion economy, the GoI announced PLI schemes under its flagship AtmaNirbhar Bharat package. For this, the government has committed nearly ₹1.97 lakh crores, over 5 years starting FY 2021-22 for 13 sectors including Automobiles & Auto components and speciality steel.

Custom Duty Rationalisation

To promote domestic manufacturing and boost exports custom duty were relaxed across some key sectors. Customs duty was uniformly to 7.5% on semis, flat, and long products of non-alloy, alloy, and stainless steels. To provide relief to metal re-cyclers, 2.5% duty on steel scrap exempted for the year along with revocation of ADD and CVD on certain steel products.

PLI worth

₹1.97 lakh crores

over 5 years starting FY 2021-22

Other Key Announcements

National Infrastructure Pipeline (NIP) expanded to 7,400 projects	Capital expenditure increased by 34.5% to ₹5.54 lakh crores	Road and Highway Infrastructure Outlay at ₹1.18 lakh crores
Railway Infrastructure Outlay at 1.10 lakh crores	Affordable Housing TAX HOLIDAY EXTENSION	

Outlook

The growth this year will also depend upon the trajectory of the pandemic, with resurgence of the virus in the first quarter of FY 2021-22 expected to have some adverse impact on the recovery. The overall growth projection for the year still remains optimistic, with impact projected to be less severe than last year. The major factors working for the economy this year are localised lockdowns, manufacturing activities mostly being spared from the restrictions, and drastic digital transition in the formal sector. India’s recovery will further be boosted by the restart of investment cycle with significant spending on infrastructure and continued favourable policy stimulus. Public adoption to the changing lockdown norms and increased focus on vaccination drive is also enabling in counteracting the negative impact on the economy. Encouragingly, most major rating agencies and forums, although cautious, remain buoyant on India’s overall growth story. IMF projects the growth rate for FY 2021-22 to be around 12.5% with the caveat of vaccination and impact of future resurgence of the pandemic.

Steel industry

The industry was impacted by the lockdowns and economic slowdown witnessing a year of two halves both globally and domestically. Indian economy which was already under stress witnessed a sharp pressure both in terms of demand and supply along with supply chain challenges in the first half of the year. While the second half saw a sharp bounce back in the application industries supported by government impetus and spending on reviving the economy. China restricting exports and focusing its own consumption has benefited the markets with the excessive supply and dumping from China has remained under control.

Indian crude steel production for FY 21 is expected to be around 102.44 million tonnes (mt) a de-growth of 6.1% as compared to 109.14 MT in FY 20. While in terms of finished steel production 94.66 MT in FY 21 as compared to 102.62 to previous year a de-growth of -7.8%. During the same time finished steel consumption witnessed a lower de-growth at 6.7% at 93.43 mt for FY 21 as compared to 100.17 MT in FY 20.

Growth in Application Industries

	Building & Construction	Infrastructure	Engineering & Packaging	Automotive
Share in Steel Demand	35-40%	25-30%	20-25%	8-10%
Growth FY 16-20	3-4%	6-7%	4-5%	2-3%
Growth FY 21P	(5-7)%	(8-10)%	(18-22)%	(12-14)%
Growth FY 21-25P	5-6%	8-10%	4.5-5.5%	9-10%
Key Drivers	• Low urbanisation • Government impetus to affordable housing	• Government focus- NIP and huge capital expenditure announcement under the year’s budget	• Favoured material due to inherent strength	• Increased domestic demand and PLI scheme announced for the sector

Steel demand and prices have been firmly on an upward trend the second half of the year, and experts believe that the commodity has entered an upcycle and is at the cusp of a supercycle. Past supercycles have been seen after significant historical shifts these cycles normally last approximately a decade on an average. The first significant commodities cycle began in the late 1890s as the US entered a rapid industrialisation and urbanisation phase peaking in 1917, and continued until the early 1930s. While, the next supercycle was seen before and post the Second World War. The early 1970s brought the third cycle and was preceded by strong economic. The strongest and most recent supercycle started in 2000 with China focusing on modernising its economy, though it was interrupted by the 2008 financial crisis it continued until 2014 when oil oversupply finally kicked in.

In the short-term supply constraints, strong demand from application industries and huge government push is expected to empower a robust uptrend. While in the long-term a more environmentally conscious approach will enable a robust growth trajectory for the worlds one of the most recycled commodity. The Indian steel industry future outlook seems very promising with the overall commodity outlook and the huge public expenditure on infrastructure going forward.

Risk management

COVID-19 pandemic

Further mutation and resurgent wave of the COVID-19 virus can lead to muted demand for a longer period of time. Although, increased vaccination, and projected herd immunity by year-end is expected to keep demand buoyant. Moreover, localised lockdowns as a countermeasure instead of the nationwide lockdown during first wave and people having adjusted to the New Normal has had led to lower impact during the second wave of the pandemic.

Delays in execution of growth projects

The underlying risk of delay in execution of projects remains especially given the uncertainty in the environment and the quantum of future projects which is significantly higher than what we have undertaken in the past. We have robust past experience and track record of completing our projects on time and budget. To minimise the risk, we are executing the projects in phases and maintaining our integrated capability at all times.

Liquidity risk

As with any organisation, expansion projects puts increased pressure on its liquidity. To mitigate the risk, we funding majority of the projects through internal accrual, with cash generated from completed projects ploughed back into capex. As projects are completed and become online, financial leverage will progressively reduce over the next 5 years. Thus, we expect the risk on balance sheet to be limited.

Quality risk

Our brand recall value as a premium steel product manufacturer in the market is due to our capability to offer best-in-class quality products to our consumers, any inability in maintaining our quality levels can impact our market position. Our recently operation sponge iron unit enables us to further strengthen our ability to maintaining control on the quality. Additionally, we also constantly undertake measure to identify gaps and streamline our operation wherever required.

Customer risk

Some of our biggest customers contribute to a considerable part of our revenue and thus, a loss of any of these customers can adversely impact our revenue. We are expanding our horizons, adding more customers to our client base, to mitigate the risk and ensuring an even spread of revenue across our clientele.

Price Risk

Increase in the prices of raw materials can have an adverse impact on our bottom-line. Over the years we have focused on backward integration across our production process to be able to have more control on our margins. We also focus on premium product-mix to enhance our profitability margins

Regulatory Risk

The industry is subject well regulated and we need to comply with multiple policies and regulations. We have a strong internal control system and stringent compliance process in place. We have a ‘zero tolerance’ internal policy when it comes to non-compliance.

Financial performance

- We registered revenues of ₹25,482.31 lakhs compared to ₹16,115.06 in the previous year, an significant increase of 58.13%
- Our EBITDA stood at ₹3,496.71 lakhs compared to ₹2,385.90 lakhs in the previous year, an increase of 46.56%
- Our PAT stood at ₹1,513.20 lakhs compared to ₹790.83 lakhs in the previous year, a staggering increase of 91.34%.
- Debt-equity ratio moderated from 1.41x in compared to 1.13x in 2019-20

Key numbers and ratios

Parameter	FY21	FY20
ROCE%	19.02%	16.05%
EBITDA/ Turnover	0.14	0.15
EBITDA/ Finance cost	4.65	3.24
Debt equity	1.13	1.41
Return on equity	21.38%	16.37%
EBITDA%	13.76%	14.84%

Internal control

We have a robust internal control system with stringent and continuous internal audit process to monitor and safeguard our assets. The Audit Committee is tasked with the responsibility of ensuring compliance in a dynamic regulatory environment and regularly reviewing the reports presented by the internal auditors. The committee also makes note of the audit observations and undertakes corrective actions.

Cautionary statement

The management discussion and analysis report containing your Company’s objectives, projections, estimates and expectations may constitute certain statements which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operation include raw material availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and in the countries with which the Company conducts business and other incidental factors.

Board’s Report

To
The Members of
Hariom Pipe Industries Limited

Your Directors have pleasure to present their Annual Report together with the audited accounts for the year ended 31 March 2021.

Financial Results:

Particulars	31/03/2021	31/03/2020
Income from operations	2,54,13,89,285	1,60,77,69,364
Other income	68,41,673	37,35,988
Total	2,54,82,30,959	1,61,15,05,352
Total Expenditure	2,33,62,57,363	1,49,82,58,011
Profit/(Loss) before Tax	21,19,73,596	11,32,47,341
Total Tax Expenses	6,06,54,042	3,41,64,160
Profit/(Loss) after Tax	15,13,19,553	7,90,83,181

Operational Review

Your Company has recorded total revenue of ₹2,54,82,30,959 as compared to ₹1,61,15,05,352 in the previous financial year. The Net profits of the Company has grown and stood at ₹15,13,19,553 as against a profit of ₹7,90,83,181 in the Previous Financial Year.

Your Company continues to engage with customers to maintain long term partnerships and develop new ones.

Your Directors are optimistic about Companies business and hopeful of more better performance with more increased revenue next year.

Dividend

Your Board does not recommend any dividend for the financial year 2020-2021.

Changes in capital:

- Authorised Capital:**
The Authorised Share capital of the company is ₹28,00,00,000/- as on 31 March 2021 and there was no increase in Authorised Share capital during FY 2020-21.
- Paid Up Capital:**
The total paid up capital of the Company changed from ₹24,49,96,300 to ₹20,27,74,040 due to the following transactions.

- On 4 September 2020 Company has allotted 10,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- each.
- On 15 December 2020 Company has converted 60,00,000 0% Series B Compulsorily Convertible, Non Cumulative Preference Shares of ₹10/- each Into 16,66,665 Equity Shares of ₹10/- each.
- On 24 December 2020 Company has allotted 10,56,666 Equity Shares of ₹10/- each upon conversion of ICD.

- On 24 December 2020 Company has allotted 8,19,443 Equity Shares of ₹10/- each upon conversion of 29,50,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.
- On 31 March 2021 Company has allotted 1,85,000 Equity shares of ₹10/- each.

Material Changes and commitments:

No material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Auditors and Auditors report:

- Statutory Auditors and Statutory Auditors Report:**
Members of the Company at Extraordinary General Meeting held on 21 July 2021, have appointed M/s R Kabra & Co LLP as Joint Statutory Auditors to hold office until the conclusion of ensuing Annual General Meeting (AGM). Audit Committee and Board of the Company proposes to appoint them for a period of five years from the conclusion of the 14th Annual General Meeting till the conclusion of 19th Annual General Meeting of the Company to be held in the year 2026.

M/s. R Kabra & Co LLP, Chartered Accountants (Firm Registration Number- 104502W/W100721), have confirmed their eligibility under Section 141 of the Act and the Rules framed there under for the appointment as Auditors of the Company along with M/s. Rakesh S Jain & Associates, Chartered Accountants, who were appointed as statutory auditors of the Company for a period of five years in the Annual General Meeting held on 29 September 2017.

The Auditors’ Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

- Cost Auditors and Cost Auditors Report:**
As per the provisions of Section 148 of the Companies Act 2013 read with the Companies (Cost and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditor) Rules, 2014, M/s Sheshadri & Associates, Cost Accountants, (Firm Registration No. 101476) were appointed as Cost Auditors of the Company in the Board meeting held on 28 August 2021, to conduct audit of Cost records maintained by the Company for Financial year ending 31 March 2022.

The Auditors report does not have any qualification, reservation or adverse remarks.

- Reporting of Frauds by Auditors**
During the year under review, the Statutory Auditors and Cost Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.



Details of Directors or Key Managerial personnel who were appointed or resigned during the year

Appointment of Independent Directors

1. Mrs. Shanti Sree Bolleni was appointed as an Additional Director- Non executive & Independent on the board on 15 May 2021. She was appointment as a Independent Director for a period of 5 years w.e.f 15 May 2021 in the Extraordinary General Meeting held on 21 July 2021.

She is a member of the Institute of Chartered Accountants of India and has over 35 years of experience in the field of Chartered Accountant. She is also a registered Insolvency Professional by IBBI. She was Nominated as Director by SBI on the Board of State Bank of Hyderabad for a period of 3 years and was on the Board from 21 March 2015 to 31 March 2017 and was Member of the Executive Committee of SBH from February 2016 to March 2017. Besides chairing the Audit Committee Board of SBH, was the member of other Board level committees from 2015 to 2017. She is currently an Independent Director in M/s. B.N.Rathi Securities Limited and M/S. Nava Bharat Ventures Limited.

2. Mr. Rajender Reddy Gankidi was appointed as an Additional Director- Non executive & Independent on the board on 15 May 2021. He was appointment as a Independent Director for a period of 5 years w.e.f 15 May 2021 in the Extraordinary General Meeting held on 21 July 2021.

He has over 37 years of experience in Banking sector and he worked as General Manager of Canara Bank Hyderabad circle for 4 years and in top management cadre for over 13 years. His area of expertise is Audit & Inspection, Risk Management & compliance, Strategic planning & business development, marketing and public relation. He also has an experience of conducting audit of overseas branches of Canara Bank in London, Hongkong, Shanghai, Leicester.

Resignation of Independent Directors

Mr. Santosh Kumar Rathi has resigned from the post of Independent Director w.e.f 19 March 2021.

Declaration given by Independent Directors:

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013. The Company received the declarations from the Independent Directors confirming that they meet the criteria as mentioned in the Companies Act, 2013.

Details of Subsidiaries, Associates and Joint Ventures

Your Company has no subsidiary companies, no Associate companies and no joint ventures.

Secretarial Standards

The applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’ respectively, have been duly complied by your Company.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources acquired are used economically.

Quality and Systems

Your company continues to maintain its certification under the Integrated Management Systems with certifications under ISO 9001:2015.

Annual Return

The Annual Return of the Company as on 31st March, 2021 is available on the Company’s website and can be accessed at www.hariompipes.com/investor-relations.

Deposits

The company has neither accepted nor renewed any deposits falling within the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 including any modification, amendment and reenactment thereto for the time being in force from the public during the financial year.

Number of Board Meetings held during the year

The Board of Directors duly met 10 (Ten) times during the year and in respect of which meetings, proper notices were given and the proceedings were properly recorded.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually, including Independent Directors, Managing Director, Wholetime Director. The Feedback was sought by way of a structured questionnaire covering various aspects as required by law.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company’s business, understanding of industry and global trends, etc.

Meeting of Independent Directors:

During the year under review, the Independent Directors met on 03rd March, 2021 inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

Directors’ Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to Directors’ Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the period ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 statement of profit of the company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the accounts for the period ended 31st March, 2021 on a ‘Going Concern’ basis and
- e) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

The details regarding conservation of Energy, Technology Absorption Foreign Exchange Earnings / Outgo are attached as **Annexure-I** to this report

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act 2013

The Company has not given any Loans, Guarantees or made any Investments under section 186 of the Companies Act 2013.

Contracts or Arrangements with related parties

All Related Party Transactions entered during the year were in the ordinary course of business and on arm’s length basis. The details

of which is disclosed in Form AOC-2 as **Annexure –II**, pursuant to the requirements of section 134(3)(h) of the Companies Act, 2013, which forms part of this Annual Report.

Transfers to reserves

The Company does not propose any amount to be transferred to reserves.

Vigil Mechanism/ Whistle Blower Policy

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group.

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimisation of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

Risk Management

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company.

Details about the Corporate Social Responsibility Policy developed and implemented by the Company

The Board is in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made there under. The board has Corporate Social Responsibility Policy aligned with Section 135 of the Act and rules made thereunder. A detailed report on the CSR activities taken up by your Company is annexed as **Annexure III** to this report.

Committees of the Board:

- **Audit Committee:**

Your Company at the Board Meeting held on 15 May 2021 reconstituted Audit Committee pursuant to the provisions of section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

Mr. Santosh Kumar Rathi the Non-Executive Independent Director and the Chairman of Audit Committee ceased to be the Chairman of the committee w.e.f 19 March 2021.

Accordingly, the reconstituted Committee comprises of the following Directors as Chairman/ Member:



Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mrs. Shanti Sree Bolleni	Independent Director	Chairperson
2.	Mr. Pramod Kumar kapoor	Chairman and Independent Director	Member
3.	Mr. Rajender Reddy Gankidi	Independent Director	Member

• **Nomination and Remuneration Committee:**

Your Company at the Board Meeting held on 15 May 2021 reconstituted Nomination and Remuneration Committee pursuant to the provisions of section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

Mr. Santosh Kumar Rathi the Non-Executive Independent Director and the Member of Nomination and Remuneration Committee ceased to be the Member of the committee w.e.f 19 March 2021.

Accordingly, the reconstituted Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rajender Reddy Gankidi	Independent Director	Chairman
2.	Mrs. Shanti Sree Bolleni	Independent Director	Member
3.	Mr. Pramod Kumar kapoor	Chairman and Independent Director	Member

• **Constitution of Stakeholders Relationship Committee**

Your Company at the Board Meeting held on 15 May 2021 reconstituted Stakeholders Relationship Committee pursuant to the provisions of section 178 (5) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

Mr. Santosh Kumar Rathi the Non-Executive Independent Director and the Member of Nomination and Remuneration Committee ceased to be the Member of the committee w.e.f 19 March 2021.

Accordingly, the reconstituted Committee comprises of the following Directors as Chairman/ Member:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Pramod Kumar kapoor	Chairman and Independent Director	Chairman
2.	Mr. Rajender Reddy Gankidi	Independent Director	Member
3.	Mrs. Shanti Sree Bolleni	Independent Director	Member

• **Constitution of Corporate Social Responsibility Committee:**

The constitution of Corporate Social Responsibility Committee (CSR) is as follows:

Sl. No.	Name of the Director	Designation of the Director	Position in the Committee
1.	Mr. Rupesh Kumar Gupta	Managing Director	Chairman
2.	Mr. Sailesh Gupta	Wholetime Director	Member
3.	Mr. Pramod Kumar kapoor	Chairman and Independent Director	Member

Policy on Sexual Harassment:

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31 March 2021, the company has not received any complaints pertaining to sexual harassment.

Significant and Material Orders passed by the Regulators or Courts:

The company has not received any significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Acknowledgements

Your Directors express their sincere thanks for the continued support and encouragement extended by its Bankers, Government of Andhra Pradesh and Telangana and other Government Bodies both at the Centre and at the States.

Your Directors wish to express their heartfelt thanks to the shareholders for the continued resources, energy and methods of improvement that they have actively injected into the Company and the constant support to its management.

Your Directors wish to place on record their deep sense of appreciation for the constructive attitude, hard work and proactive contribution made by all its employees.

For and on behalf of the Board
Hariom Pipe Industries Limited

SD/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

SD/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Date: 28 August 2021
Place: Hyderabad

Annexure – I

INFORMATION UNDER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

- i) The Company being a manufacturing unit have been using hot charge technique for round rolling, the billets are delivered for hot rolling in the wire rod or bar mill after they exit the casting unit but before they lose all their heat [1]. The main feature and advantages of hot charging technique are:
- Energy savings,
 - Decreasing billet inventory / yard space
 - Reducing production cycle time
 - Billet surface quality defects prevention during the cooling process. Also the management of the have been making continuous efforts to identify the areas of energy conservation for effecting improvements.
- ii) The Company have been procuring energy from Indian Energy Exchange (IEX) as an alternative for procuring energy as and when required.
- iii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

B. TECHNOLOGY ABSORPTION:

i) the efforts made towards technology absorption:	NIL
ii) the benefits derived like product improvement, cost reduction, product development or import substitution:	NIL
iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
(a) the details of technology imported:	NIL
(b) the year of import:	NIL
(c) whether the technology been fully absorbed:	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	NIL
iv) the expenditure incurred on Research and Development:	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports and initiatives taken to increase export products, services and export plans: NIL

Foreign Exchange earnings and outgo:
(On receipts and payments basis)

Particulars	2020-21	2019-20
Foreign Exchange Earnings	5,256	19,783
Foreign Exchange Outgo (₹ in Lakhs)	Nil	Nil

For and on behalf of the Board
Hariom Pipe Industries Limited

SD/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

SD/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Date: 28 August 2021
Place: Hyderabad



Annexure – II

Form No. AOC-2
DETAILS OF RELATED PARTY TRANSACTIONS
(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 subsection (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: NIL

The company has not entered into any contract or arrangement or transaction which is not at arm’s length basis during the year under review.

2. Details of material contracts or arrangement or transactionsat arm’s length basis:

The following are the details of the transaction.

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Rupesh Kumar Gupta	Rent paid (Expenses)	NA	Rent of ₹55,000/- Per Month.	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, necessary approvals were granted by the Audit Committee from time to time.	NIL
Ms. Parul Gupta	Rent paid (Expenses)	NA	Rent of ₹35,000/- Per Month		NIL
Mr. Sailesh Gupta	Rent paid (Expenses)	NA	Rent of ₹50,000/- Per Month		NIL
Ultra Pipes	Sale of Goods	NA	62,16,73,384		Nil
Ultra Pipes	Purchase of Goods	NA	37,83,85,911		Nil
Lakshit Trade Link	Purchase of Goods	NA	12,27,572		Nil

For and on behalf of the Board
Hariom Pipe Industries Limited

SD/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Date: 28 August 2021
Place: Hyderabad

SD/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Annexure – III

Annual Report on Corporate Social Responsibility (CSR) Activities
(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

1. Brief outline on CSR Policy of the Company, including overview of projects / programmes undertaken:

A belief that sustainable business drives superior performance, lies at the heart of our work at M/s. Hariom Pipe Industries Limited (HPIL). We seek to deliver long-term sustainable growth while reducing our environmental footprint and increasing our positive social impact.

Over the years we have strived to serve communities through various initiatives. However, we need to do much more, considering the pressing challenges facing the world such as climate change and inequality, businesses need to play a significant role in addressing them.

Our sustainable business strategy is set to help us deliver superior performance by being a purpose-led, future-fit business. It will guide us drive sustainable and responsible growth in the years to come. Within this, there is a comprehensive and ambitious set of commitments and actions to:

- Provide Education to the Economically Backward Class;
- Improve people’s health, confidence and wellbeing; and
- Contribute to a fairer, more socially inclusive world;
- Protection of flora and fauna;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rupesh Kumar Gupta	Chairman/Managing Director	2	2
2	Sailesh Gupta	Member/Wholetime Director	2	2
3	Pramod Kapoor Kumar	Member /Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The web-link is as follows:

The composition of the CSR Committee	: http://hariompipes.com/csr.php
CSR Policy	: https://www.hariompipes.com/investor-relations-policies.php
CSR Projects as approved by the Board	: NA

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	-	-	-
2	-	-	-
3	-	-	-

6. Average net profit of the company as per section 135(5): ₹7,68,24,283/-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹15,36,486/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): 15,36,486/-

8. (a) CSR amount spent or unspent for the financial year: ₹27,93,151/-

Total Amount Spent for the Financial Year (₹ In Lakhs)		Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
		Amount	Date of transfer	Name of the Fund	Date of transfer
27.93		-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
			State. District.							Name CSR Registration number.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.*	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	CSR registration number		
1	NA	Education	Yes	Telangana	5,11,750	Yes	-	-		
2	NA	Animal Welfare	Yes	Telangana	4,45,780	Yes	-	-		
3	NA	Children Welfare	Yes	Telangana	1,66,100	Yes	-	-		
4	NA	Ensuring environmental sustainability	Yes	Telangana	10,29,570	Yes	-	-		
4	NA	Health Care	Yes	Telangana	4,51,960.96	Yes	-	-		
5	NA	Protection of flora and fauna	Yes	Telangana	1,24,790	Yes	-	-		
6	NA	Restoration of buildings and sites of historical importance	Yes	Telangana	55,000	Yes	-	-		
7	NA	Restoration of buildings and sites of historical importance	No	Uttar Pradesh	8,200	Yes	-	-		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e). ₹27,93,151/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	15,36,486
(ii)	Total amount spent for the Financial Year	27,93,151
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12,56,665
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	12,56,665

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund		Date of transfer	
				Amount (in ₹)	Amount (in ₹)		
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

SD/-
Chairman of the Committee



Independent Auditors’ Report

To the Members of
Hariom Pipe Industries Limited
(Formerly known as “Hariom Concast & Steel Private Limited”)

Report on the Audit of the Ind AS Financial Statements
Opinion

We have audited the accompanying Ind AS financial statements of Hariom Pipe Industries Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”), and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Ind AS 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended 31st March, 2021. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matters	How our audit addressed the key audit matter
Key audit matter description	Principal Audit Procedures
(1) Issue of Equity Shares and conversion of Preference shares into Equity Shares	
The Company has issued 37,277,740 equity shares, of Rs 10 each at a premium of Rs 26 per equity share during the year, aggregating to Rs.1, 341,998,640. Out of the above equity shares issued,:	Our audit procedures related to the above key audit matter included the following amongst others:
(i) 1,666,665 equity shares of face value of Rs 10 each were issued by conversion of 6,000,000 “0% Series B Compulsorily Convertible Non- Commutative Preference Shares” on 15th December 2020;	(a) enquiring with those charged with the governance and the key managerial personal about the procedure followed for issue of: (i) The equity shares, and for this purpose, increase in authorised equity share capital, if any. (ii) conversion of redeemable preference shares into convertible preference shares, (iii) conversion of convertible preference share into equity shares and (iv) conversion of inter corporate deposits into equity shares;
(ii) 819,443 equity shares of face value of Rs 10 each were issued by conversion of 2,950,000 “0% Compulsorily Convertible Preference Shares” on 24th December, 2020. The above shares were initially issued as “3% Series “A” Redeemable Non- cumulative Preference Shares”, which were first converted into “0% Compulsorily Convertible Preference Shares” on 24th December, 2020 and then into equity shares as stated above.	(b) review of the minute books of (i) the board of directors, (ii) audit committee, (iii) share allotment committee, and (iv) shareholders (both equity and preference); (c) referred the relevant provisions of the Companies Act 2013 read with the Companies (Share Capital and Debenture Rules) 2014, as applicable to ascertain whether the same have been complied with;
(iii) 1,056,666 equity shares of face value of Rs 10 each were issued by conversion of inter corporate deposits of Rs.38, 039,976 on 24th December 2020.	(d) review of various e-forms submitted to the Ministry of Corporate Affairs (MCA) in compliance with the provisions of the Companies Act 2013 and the relevant rules;
(iv) 185,000 equity shares of face value of Rs 10 each were issued for consideration received in cash, on 31st March 2021;	(e) review of valuation report issued by the registered valuer in accordance with the provisions of the Companies (Registered Valuers and Valuation) Rules 2017 for fair value for issue of the shares at the price at which theses equity shares were issued during the year
Based on the materiality of the amounts involved and also the issues related to compliance procedures, this matter was considered by us, the auditors, as a key audit matter.	(f) appropriate disclosure in the Ind AS financial statements in accordance with the IND AS, and the requirements of schedule III;
2. Issue of Preference Shares	Principal Audit Procedures
(i) The Company has issued 1,000,000 “0% Series B Compulsorily Convertible Non- Commutative Preference Shares” of Rs 10 each per share during the year, aggregating to Rs.10, 000,000, in cash, on 4th August 2020. The above preference shares with the old existing 5,000,000 shares (issued during the year ended 31st March 2020 for Rs.50, 000,000) were subsequently converted into Equity shares of Rs. 10 each at a premium of Rs.26, by issue of 1,666,665 equity shares on 15th December 2020.	Our audit procedures related to the above key audit matter included the following amongst others: (a) enquiring with those charged with the governance and the key managerial personal about the procedure followed for issue of: (i) the preference shares, (ii) conversion of redeemable preference shares into convertible preference shares, (iii) conversion of convertible preference share into equity shares and
(ii) The Company had also issued 29,50,000 “3% Series A Redeemable Non- Cumulative Preference Shares during the year ended 31st March 2020, which were converted into 29,50,000 “0% Compulsorily Convertible Preference Shares” on 24th December, 2020. The above preference shares were subsequently converted into Equity shares of Rs. 10 each at a premium of Rs.26, by issue of 1,666,665 equity shares on 24th December 2020.	(b) review of the minute books of (i) the board of directors, (ii) audit committee, (iii) share allotment committee, and (iv) shareholders (both equity and preference); (c) referred the relevant provisions of the Companies Act 2013 read with the Companies (Share Capital and Debenture Rules) 2014, as applicable to ascertain whether the same have been complied with; (d) review of various eforms submitted to the Ministry of Corporate Affairs (MCA) in compliance with the provisions of the Companies Act 2013 and the relevant rules;
	(e) appropriate disclosure in the Ind AS financial statements in accordance with the IND AS, and the requirements of schedule III;

Information other than the Ind AS financial statements and Auditor’s report thereon

The Company’s Board of Directors is responsible for the preparation of other information. The other information comprise the information included in the Board of Directors’ report annual report including annexures to the Board of Directors’ report, but does not include the Ind AS financial statements and our report.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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.

Management’s Responsibility for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Company’s Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, , we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows, and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the IND AS specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report. 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- (h) The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
- (i) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (j) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditors’ Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants
Firm Registration No. 010129S

Sd/-
Pankaj Chandak
(Partner)
UDIN: 21229355AAAAALV7367
Membership No: 229355
Place: Hyderabad
Dated: 28th August, 2021

For R KABRA & CO LLP

Chartered Accountants
Firm Registration No: 104502W/W100721

Sd/-
Ram Swaroop Gajadhar Verma
(Partner)
UDIN: 21038913AAAAAP7752
Membership No: 038913
Place: Mumbai
Dated: 28th August, 2021

Annexure “A” to the Independent Auditors’ Report on the Ind as Financial Statements of Hariom Pipe Industries Limited

(Referred to in Paragraph 1, under the “Report on Other Legal and Regulatory Requirements” sectionof our report of even date)

(i) In respect of its property, plant and equipment:

The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

- a) As explained to us, all the property, plant and equipment are physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its property, plant and equipment. No material discrepancies were noticed on such physical verification.
- b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.

(ii) In respect of inventories:

In our opinion, during the year the inventories have been physically verified by the management at reasonable intervals and according to explanation given to us, no material discrepancies were noticed between physical stocks and the books records on such verification.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii (a), iii (b) and iii(c) of the Order not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Act have been complied with.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

- (vi) The maintenance of cost records has been specified by the Central Government under sub section (1) of section 148 of the Act and such accounts and records have been so made and maintained by the company. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) In respect of statutory dues:

- a) According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities, except the following undisputed arrears of outstanding statutory dues as at 31st March 2021, for a period of more than six months from the date they became payable:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Remarks if any
Employees' State Insurance Act, 1948	Employee State Insurance	30,384	March (2019-2020)	July 15, 2020	Not Paid	Due to Lockdown

- b) According to the information and explanations given to us, there are no dues of Income tax, sales tax, Goods and Service Tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following dues:

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved (Rs.)	Amount Unpaid(Rs.)
Income Tax Act, 1961	Demand arising out of Regular assessment under section 143(3)*	AO	AY 2009-10	35,05,342	NA
	Interest on delayed payment of tax dues under section 220(2)	AO	AY 2009-10	205	205
	Interest on delayed payment of tax dues under section 220(2)	AO	AY 2010-11	580	580
	Interest on delayed payment of tax dues under section 220(2)	AO	AY 2013-14	41,350	41,350
	Demand arising out of Regular assessment under section 143(3)	CIT(A)	AY 2017-18	5,55,50,570	5,55,50,570
	Demand arising out of Regular assessment under section 143(3)	CIT(A)	AY 2018-19	7,55,570	7,55,570
	Demand arising out of Regular assessment under section 115 O	CIT(A)	AY 2019-20	2,15,080	2,15,080

*The ITAT has decided the appeal in company’s favour by dropping the disputed demand of Rs. 35,05,342 as per its order dated 05-10-2016, the appellate order effect is pending at the year end(refer note 35.1 of the Ind AS Financial Statements).

- (viii) Based on our audit procedures and the information and explanations provided by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowing to financial institutions, banks and debenture holders. The company has not borrowed any funds from the Government during the year.
- (ix) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by the officers and employees of the Company has been noticedor reported during the year.
- (x) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated bythe provisions of section 197 read with Schedule V to the Act.
- (xi) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us the Company’s transactions with its related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has made private placements of fully paid-up equity and preference shares during the year and the requirements of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xiv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or any persons connected with them and hence reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-1A of the Reserve Bank of India Act, 1934.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants
Firm Registration No. 010129S

Sd/-
Pankaj Chandak
(Partner)
UDIN: 21229355AAAAALV7367
Membership No: 229355
Place: Hyderabad
Dated: 28th August, 2021

For R KABRA & CO LLP

Chartered Accountants
Firm Registration No: 104502W/W100721

Sd/-
Ram Swaroop Gajadhar Verma
(Partner)
UDIN: 21038913AAAAAP7752
Membership No: 038913
Place: Mumbai
Dated: 28th August, 2021



Annexure “B” to the Independent Auditor’s Report on The Ind as Financial Statements of Hariom Pipe Industries Limited

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of HARIOM PIPE INDUSTRIES LIMITED (“the Company”) as of 31st March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting with reference to these Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to these Ind AS Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting with reference to these Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with reference to these Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Ind AS Financial Statements.

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS

Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 with reference to these Ind AS Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 ICAI.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants
Firm Registration No. 010129S

Sd/-
Pankaj Chandak
(Partner)
UDIN: 21229355AAAAALV7367
Membership No: 229355
Place: Hyderabad
Dated: 28th August, 2021

For R KABRA & CO LLP

Chartered Accountants
Firm Registration No: 104502W/W100721

Sd/-
Ram Swaroop Gajadhar Verma
(Partner)
UDIN: 21038913AAAAAP7752
Membership No: 038913
Place: Mumbai
Dated: 28th August, 2021



Balance Sheet

as at 31 March 2021

(Figures in ₹)				
Particulars	Note No.	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2(a)	58,89,62,317	49,49,58,929	42,81,80,382
(b) Capital work-in-progress	2(b)	8,33,24,923	12,58,640	-
(c) Financial Assets				
(i) Other Financial Assets	3	49,06,249	46,39,300	2,39,300
(e) Other non-current assets	4	35,86,439	17,39,652	22,99,569
Total Non Current Assets		68,07,79,928	50,25,96,521	43,07,19,251
Current assets				
(a) Inventories	5	80,08,00,497	59,53,49,243	39,01,19,317
(b) Financial Assets				
(i) Trade receivables	6	19,62,90,858	22,77,60,134	10,48,57,867
(ii) Cash and cash equivalents	7(a)	77,75,084	1,66,82,204	3,97,98,564
(iii) Bank balances other than (iii) above	7(b)	10,23,579	-	-
(iv) Other financial assets	8	5,41,895	1,72,238	15,79,406
(c) Other current assets	9	5,01,90,827	5,42,11,258	6,64,36,653
Total Current Assets		1,05,66,22,740	89,41,75,077	60,27,91,808
Total Assets		1,73,74,02,667	1,39,67,71,598	1,03,35,11,059
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	16,96,12,040	13,23,34,300	13,23,34,300
(b) Other Equity	11	53,82,81,662	35,06,55,132	22,85,68,832
Total Equity		70,78,93,702	48,29,89,432	36,09,03,132
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	33,94,40,447	27,17,15,062	31,63,14,998
(b) Provisions	13	20,58,302	15,87,944	10,82,130
(c) Deferred tax liabilities (Net)	14	3,58,44,835	2,22,79,537	95,72,368
Total Non Current Liabilities		37,73,43,584	29,55,82,543	32,69,69,496
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	31,96,16,916	32,50,57,373	18,79,30,402
(ii) Trade Payables	16			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		4,29,93,494	14,92,71,814	7,70,77,718
(iii) Other FinanciLas Liabilites	17	23,94,96,430	11,11,21,051	6,35,95,224
(b) Other current liabilities	18	2,65,81,152	1,72,75,500	38,64,080
(c) Provisions	19	18,586	2,11,413	9,86,438
(d) Current Tax Liabilities (Net)	20	2,34,58,802	1,52,62,471	1,21,84,569
Total Current Liabilities		65,21,65,380	61,81,99,622	34,56,38,431
Total Equity and Liabilities		1,73,74,02,667	1,39,67,71,598	1,03,35,11,059
Significant accounting policies and notes on accounts	1 to 42			

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No: 010129S

Sd/-

Pankaj Chandak

(Partner)

Membership No: 229355

UDIN : 21229355AAAAALV7367

Place: Hyderabad

Dated : 28/08/2021

FOR R KABRA & CO LLP

Chartered Accountants

Firm Registration No: 104502WW100721

Sd/-

Ram Swaroop Gajadhar Verma

(Partner)

Membership No: 038913

UDIN : 21038913AAAAAP7752

Place: Mumbai

Dated : 28/08/2021

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

Rupesh Kumar Gupta

(Managing Director)

DIN 00540787

Sd/-

Amitabha Bhattacharya

Chief Financial Officer

Place: Hyderabad

Dated : 28/08/2021

Sd/-

Sailesh Gupta

(Whole Time Director)

DIN 00540862

Sd/-

Chirag Partani

Company Secretary

Membership No: A51269

Statement of Profit and Loss

for the period ended 31 March 2021

(Figures in ₹)			
Particulars	Note No.	For the year ended 31/03/2021	For the year ended 31/03/2020
I Revenue from operations	21	2,54,13,89,285	1,60,77,69,364
II Other income	22	68,41,673	37,35,988
III Total Income (I+II)		2,54,82,30,959	1,61,15,05,352
IV Expenses			
Cost of materials consumed	23	1,80,31,70,216	1,09,53,18,841
Changes in inventories of finished goods, Stock-in -Trade and workin-progress	24	(7,45,77,769)	(18,87,27,830)
Employee benefits expense	25	9,50,55,410	8,29,61,801
Finance costs	26	7,51,20,885	7,37,07,013
Depreciation and amortization expenses	2	6,25,76,554	5,16,36,547
Other expenses	27	37,49,12,066	38,33,61,639
Total expenses (IV)		2,33,62,57,363	1,49,82,58,011
V Profit/ (loss) before tax(V-VI)		21,19,73,596	11,32,47,341
VI Tax expense:	28		
(1) Current tax		4,47,52,122	2,06,09,419
(2) Deferred tax		1,38,10,302	1,24,61,797
(3) Interest on Income-Tax		20,91,619	10,92,943
Total Tax Expense (VI)		6,06,54,042	3,41,64,160
VII Profit (Loss) for the period from continuing operations (VII-VIII)		15,13,19,553	7,90,83,181
VIII Profit/(loss) from discontinued operations		-	-
IX Tax expenses of discontinued operations		-	-
X Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XI Profit/(loss) for the period (IX+XII)		15,13,19,553	7,90,83,181
XII Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of post employment benefit obligation		(1,462)	(8,81,998)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2,45,004)	2,45,372
B. (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
XIII Total Comprehensive Income for the period (XIII+XIV)		15,15,66,019	7,97,19,807
XIV Earnings per equity share of Rs. 10 each (face value) :	32		
(1) Basic		10.64	5.98
(2) Diluted		9.80	5.93
Significant accounting policies and notes on accounts	1 to 42		

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No: 010129S

Sd/-

Pankaj Chandak

(Partner)

Membership No: 229355

UDIN : 21229355AAAAALV7367

Place: Hyderabad

Dated : 28/08/2021

FOR R KABRA & CO LLP

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Chief Financial Officer

Place: Hyderabad

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Sd/-

Sailesh Gupta

(Whole Time Director)

DIN 00540862

Sd/-

Chirag Partani

Company Secretary

Membership No: A51269



Statement of Changes in Equity
for the period ended 31 March 2021

A. Equity Share Capital

(Figures in ₹)		
	No. of shares	Amount
Opening balance as at 01/04/2019	1,32,33,430	13,23,34,300
Changes in equity share capital during the year	-	-
Balance as at 31/03/2020	1,32,33,430	13,23,34,300
Changes in equity share capital during the year	37,27,774	3,72,77,740
Balance as at 31/03/2021	1,69,61,204	16,96,12,040

B. Other Equity

(Figures in ₹)				
	Equity component of compound financial instruments	Reserves and surplus		Total
		Securities premium	Surplus in Statement of profit and loss	
Balance as at 01/04/2018	-	19,29,080	8,39,46,474	8,58,75,554
Add/(Less):				
Shares issued during the year	-	4,66,66,760	-	4,66,66,760
Total Comprehensive Income for the year	-	-	7,99,50,774	7,99,50,774
Balance as at 31/03/2019	-	4,85,95,840	16,38,97,248	21,24,93,088
Affect of transition to IND AS:				
(a) 3% Series A Redeemable Non Cumulative Preference Shares	1,05,55,062	-	-	1,05,55,062
(b) 0 % Series A Redeemable Non Cumulative Preference Shares (Refer note no. 11.2)	94,64,025	-	-	94,64,025
(c) On recognition of income/expenses as per IND AS	-	-	(39,43,343)	(39,43,343)
	2,00,19,087	-	(39,43,343)	1,60,75,744
Restated bal. as at 31/03/2019	2,00,19,087	4,85,95,840	15,99,53,905	22,85,68,832
Balance as at 01/04/2019	2,00,19,087	4,85,95,840	15,99,53,905	22,85,68,832
Add/(less):				
(a) Total Comprehensive Income for the year	-	-	7,97,19,807	7,97,19,807
(b) 3% Series A Redeemable Non Cumulative Preference Shares	3,06,551	-	-	3,06,551
(d) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	5,00,00,000	-	-	5,00,00,000
	5,03,06,551	-	7,97,19,807	13,00,26,358
Less: Dividends (including dividend distribution tax) paid	-	-	79,40,058	79,40,058
Balance as at 31/03/2020	7,03,25,638	4,85,95,840	23,17,33,654	35,06,55,132

Statement of Changes in Equity
for the period ended 31 March 2021

(Figures in ₹)				
	Equity component of compound financial instruments	Reserves and surplus		Total
		Securities premium	Surplus in Statement of profit and loss	
Balance as at 01/04/2020	7,03,25,638	4,85,95,840	23,17,33,654	35,06,55,132
Additions during the year:				
(a) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	1,00,00,000			1,00,00,000
(b) Total Comprehensive Income for the year	-	-	15,15,66,019	15,15,66,019
(c) Premium on issue of shares	-	48,10,000	-	48,10,000
(d) Premium on conversion convertible preference shares	-	6,46,38,808	-	6,46,38,808
(e) Premium on conversion of inter corporate deposits	-	2,74,73,316	-	2,74,73,316
	1,00,00,000	9,69,22,124	15,15,66,019	25,84,88,143
Less:				
3% Series A Redeemable Non Cumulative Preference Shares	1,08,61,613	-	-	1,08,61,613
0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	6,00,00,000	-	-	6,00,00,000
Balance as at 31/03/2021	94,64,025	14,55,17,964	38,32,99,673	53,82,81,662

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No: 010129S

Sd/-

Pankaj Chandak

(Partner)

Membership No: 229355

UDIN : 21229355AAAALV7367

Place: Hyderabad

Dated : 28/08/2021

FOR R KABRA & CO LLP

Chartered Accountants

Firm Registration No: 104502W/W100721

Sd/-

Ram Swaroop Gajadhar Verma

(Partner)

Membership No: 038913

UDIN : 21038913AAAAAP7752

Place : Mumbai

Dated : 28/08/2021

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-

Rupesh Kumar Gupta

(Managing Director)

DIN 00540787

Sd/-

Amitabha Bhattacharya

Chief Financial Officer

Place: Hyderabad

Dated : 28/08/2021

Sd/-

Sailesh Gupta

(Whole Time Director)

DIN 00540862

Sd/-

Chirag Partani

Company Secretary

Membership No: A51269



Statement of Cash Flows
for the period ended 31 March 2021

Particulars	(Figures in ₹)	
	For the year ended 31/03/2021	For the year ended 31/03/2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	21,19,73,596	11,32,47,341
Adjustments for:		
Interest income	(42,22,671)	(36,83,328)
Depreciation and amortization expenses	6,25,76,554	5,16,36,547
Finance Charges other than interest on CFI	7,13,66,690	6,98,79,986
Interest on Compound Financials Instruments	37,54,196	38,27,027
Gain on settlement of compound financial instrument	(26,13,746)	-
Operating profit before working capital changes	34,28,34,618	23,49,07,573
Working capital changes adjust for		
Trade & other receivables	3,22,49,685	(10,87,09,884)
Inventories	(20,54,51,254)	(20,52,29,929)
Trade payables & other liabilities	(2,61,24,612)	10,28,18,858
Cash generated from change in working capital	(19,93,26,181)	(21,11,20,955)
Taxes paid (net of tax refunds)	(3,86,47,410)	(1,86,24,358)
Net Cash Flow From Operating Activities - (A)	10,48,61,028	51,62,260
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/sales of Property, Plant & Equipments (Net)	(23,86,46,225)	(11,96,73,734)
Increase/ (decrease) in Fixed Deposits	(2,66,949)	(44,00,000)
Interest received	42,22,671	36,83,328
Net Cash used in Investing Activities - (B)	(23,46,90,503)	(12,03,90,406)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges other than interest on CFI	(7,30,80,846)	(6,98,79,986)
Dividends paid	-	(79,40,058)
Securities premium on issue of shares	48,10,000	-
Non cash item- Securities premium on conversion of Preference shares	6,46,38,808	-
Non cash item- Securities premium on conversion of ICD	2,74,73,316	-
Issue of equity share capital	3,72,77,740	-
Issue of Preference Share capital	1,00,00,000	5,09,59,720
Non cash item- conversion of preference shares in to equity shares	(8,95,00,000)	-
Non cash item- conversion of inter corporate deposits in to equity shares	(3,80,39,976)	-
Decrease in long term borrowings - Term loans from banks and others	(4,64,16,266)	(45,57,860)
Increase in long term borrowings - Term loans from banks and others	22,55,00,000	31,54,000
Increase/(decrease) in short term borrowings - working capital loans	(54,40,456)	13,71,26,971
Repayment of ICD	(50,00,024)	-
Other Long-term Liabilities	87,00,060	(1,67,51,000)
Net Cash used in Finance Activities- (C)	12,09,22,357	9,21,11,787
Net Increase (Decrease)		
in Cash & Cash Equivalents (A+B+C+D)	(89,07,120)	(2,31,16,359)
Opening Balance in Cash and Cash Equivalents	1,66,82,204	3,97,98,564
Closing Balance in Cash and Cash Equivalents	77,75,084	1,66,82,204

Statement of Cash Flows
for the period ended 31 March 2021

Notes:

1 Statement of Cash Flows has been prepared under the indirect method as set out in the IND AS “Statement of Cash Flows” as prescribed in the Companies (Indian Accounting Standards), Rules 2015

2 Cash and cash equivalents included in the Statement of Cash Flow comprise the following:

Cash on Hand	1,25,744	10,69,652
Balance with Banks:		
On Current Accounts	70,49,340	3,79,629
On Term Deposits	6,00,000	1,52,32,923
	77,75,084	1,66,82,204

3 Previous year figures have been regrouped/reclassified wherever considered necessary

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No: 010129S

Sd/-

Pankaj Chandak

(Partner)

Membership No: 229355

UDIN : 21229355AAAAV7367

Place: Hyderabad

Dated : 28/08/2021

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Place : Mumbai

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HARIOM PIPE INDUSTRIES LIMITED

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Rupesh Kumar Gupta

(Managing Director)

DIN 00540787

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Chief Financial Officer

Place: Hyderabad

Dated : 28/08/2021

Sd/-

Sailesh Gupta

(Whole Time Director)

DIN 00540862

Sd/-

Chirag Partani

Company Secretary

Membership No: A51269

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

COMPANY BACKGROUND:

Hariom Pipe Industries Limited, (“the Company”) is a public limited Company incorporated in India under the Companies Act 1956 (now replaced with the Companies Act 2013) on 21 June 2007 with its registered office situated in Hyderabad, India. The name of the Company was changed from Hariom ConcastAnd Steels (Private) Limited to Hariom Pipe Industries (Private) Limited on 27 December 2017. Subsequently the Company was converted into a Public Limited Company and renamed as Hariom Pipe Industries Limited on 17 January 2018. The Company has grown consistently, securing a dominant position in South India as a premium manufacturer of iron and steel products, catering to diverse industrial needs across multiple sectors. The Company has two manufacturing units, one each situated at a)Works 3-45/1,Sy.No.62 & 63, Sheriguda Paddayapally (G.P.) Balanagar Mahbubnagar, Telangana, and b) Survey number 98, D Hirehal Village, Ananthapur, Andhra Pradesh.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

The company’s financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, issued by Ministry of Corporate Affairs in respect of sections 133 of the Companies Act 2013 (“the Act”). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. The financials for the year ended 31 March 2021 of the company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is 1stApril, 2019. The financial statements up to the year ended 31 March 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“I-GAAP”) and other relevant provisions of the Act. The figures for the year ended 31stMarch, 2020 have now been restated as per Ind AS to provide comparability. These Ind AS financial statements have been approved for issue by the Board of Directors at their meeting held on 28/08/2021.

(b) Basis of Preparation:

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost. Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;

Level 2 - inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs are unobservable inputs for the valuation of assets/liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

(c) Presentation of financial statements

TheInd AS Balance Sheet and the Ind ASStatement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

(d) Use of estimates and critical accounting judgments:

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred income tax assets and liabilities:

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised,

based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Income Taxes:

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management’s expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss."

Useful lives of Property, plant and equipment (‘PPE’):

The Company reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation (‘DBO’) are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of Compound Financial Instruments:

The Company recognizes separately the components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. From the

perspective of the Company, such an instrument comprises two components: a financial liability (a contractual arrangement to deliver cash or another financial asset) and an equity instrument (a call option granting the holder the right, for a specified period of time, to convert it into a fixed number of ordinary shares of the entity).

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company had closed all its manufacturing plants and offices with effect from March 24, 2020 following countrywide lockdown due to Covid-19. Subsequent to the year end, the Company had resumed its operations at its Mahbubnagar plant with effect from April 22, 2020. All the remaining plants and office of the Company have resumed operations gradually over a period of time adhering to the safety norms prescribed by the Government of India.

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventories, and trade receivables. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to closely monitor any material changes to future economic conditions.

(e) Current and non-current classification and operating cycle:

All the assets and liabilities have been classified as current or non current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be realised within twelve months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

it is expected to be settled in the Company’s normal operating cycle;

it is held primarily for the purpose of being traded;

it is due to be settled within twelve months after the reporting date; or

the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

(f) Functional and presentation currency:
The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(g) Revenue recognition:
The revenue is recognized once the entity satisfied that the performance obligation & control are transferred to the customers.

(i) Sale of goods:
The Company derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods in accordance with IND AS 115 “Revenue from Contracts with Customers”. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and servicestaxandapplicablediscountsandallowances.

(ii) Other income
A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

B. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably

(h) Foreign currency translation:
(i) The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

(i) Segment reporting
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

(j) Exceptional items:
An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

(k) Property, plant and equipment and capital work-in- progress:
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

cost includes expenditure that is directly attributable to the acquisition of the items.

Cost is inclusive of inward freight, net of tax/duty credits availed, if any, and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

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

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest in case of qualifying assets.

Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Capital work-in-progress:
Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, net of tax/duty credits availed, if any, related incidental expenses and attributable interest, in case of qualifying assets.

Depreciation methods, estimated useful lives and residual value:
Depreciation is systematically allocated over the useful life of the asset as specified in Schedule II of Companies Act, 2013. Depreciation on property, plant and equipment added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal. Freehold land is not depreciated.

(l) Intangible assets
Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Research and development expenditure on new products:
Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

- A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- B. the company has intention to complete the intangible asset and use or sell it;
- C. the company has ability to use or sell the intangible asset;
- D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
- E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. the company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “intangible assets under development”. Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

(m) Impairment of assets:
At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the assets do not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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<p>Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.</p> <p>Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.</p>	<p>Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by fair value of plan assets (being the funded portion).</p> <p>The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.</p>	<p>amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets</p> <p>The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option</p> <p>Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows</p>	<p>The Company reclassifies debt instruments when and only when its business model for managing those assets changes.</p>
<p>(n) Employee benefits:</p> <p>(i) Short-term obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.</p> <p>(ii) Other long-term employee benefit obligations: The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.</p> <p>The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.</p>	<p>(o) Lease The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:</p> <p>(i) the contract involves the use of an identified asset</p> <p>(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and</p> <p>(iii) the Company has the right to direct the use of the asset</p> <p>At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease</p> <p>The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses</p> <p>Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable</p>	<p>(p) Financial instruments – initial recognition, subsequent measurement and impairment: A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.</p> <p>A. Investments and other financial assets</p> <p>(i) Classification: The Company classifies its financial assets in the following measurement categories:</p> <ul style="list-style-type: none">- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and- those measured at amortised cost. <p>The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.</p> <p>For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income.</p> <p>The classification criteria of the Company for debt instruments are provided as under:</p> <p>Debt instruments: Depending upon the business model of the Company, debt instruments can be classified under following categories:</p> <ul style="list-style-type: none">- Debt instruments measured at amortised cost- Debt instruments measured at fair value through other comprehensive income- Debt instruments measured at fair value through profit or loss	<p>(ii) Measurement: At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.</p> <p>Debt instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:</p> <p>Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.</p> <p>Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.</p> <p>Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.</p>



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(iii) **Impairment of financial assets:**
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit losses are measured through a loss allowance at an amount equal to the following:

- (a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

(iv) **Derecognition of financial assets:**
A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. **Financial Liabilities:**

(a) **Classification:**
The Company classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at fair value through profit or loss
- Financial liabilities measured at amortized cost

(b) **Measurement:**
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognised at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

Financial liabilities measured at Amortized Cost:

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability

carried at fair value through profit or loss is expensed in the statement of profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

(c) **De-recognition of financial liability:**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

(d) **Compound financial instruments:**
Compound financial instruments issued by the company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(q) **Offsetting financial instruments:**
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The

legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(r) **Inventories:**
Raw materials, consumable stores, stores and spares, and finished goods inventories are valued at the lower of cost (using weighted average method) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase, all charges in bringing the goods to the point of sale, including indirect levies, net of recoveries, if any, transit insurance and receiving charges. Finished goods include appropriate proportion of overheads and, where applicable. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Raw materials and stores are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

(s) **Cash and cash equivalents:**
Cash and bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(t) **Securities premium account:**
Securities premium includes the difference between the face value of the shares and the consideration received in respect of shares issued.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account, if and when such expenses are incurred, and as per the decision of the management.



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(u) **Borrowing costs:**

General and specific borrowing costs (includes interest expense calculated using the effective interest method, other costs and expenses in relation to the borrowing) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which these are incurred.

(v) **Cash Flow Statement:**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Short term borrowings, repayments and advances having maturity of three months or less, are shown as net in cash flow statement.

(w) **Income tax:**

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each year adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where

appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In such case, the tax is also recognised in Other Comprehensive Income.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

(x) **Provisions:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably

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estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(y) **Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

(z) **Earnings per share:**

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been adjusted prospectively, if appropriate.

(za) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that

it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non- cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(zb) **First time adoption**

These financial statements for the year ended 31stMarch, 2021 are the first financials statement prepared in accordance with Ind AS. For all periods up to and including the year ended 31stMarch, 2020, the company prepared its financial statements in accordance with the accounting standards notified under section 133 of the companies act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rules, 2016 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for the period ending on March 31, 2020 together with the financial statements as at and for the year ended 31 March 2020, as described in the summary of significant accounting policies. In preparing these financial statements the company's opening balance sheet was prepared as at 1 April 2019, the company's date of transition of Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements,



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including the balance sheet as at 1 April 2019, and the financial statements as at and for the year ended 31 March 2020.

Notes to first time adoption

(a) Fair value adjustments on financial instruments
Compound Financials Instruments (CFI) - According to Ind AS, CFI contains element of both financial liability and equity instrument in a single contract. As a result of this, the company has separated the CFI into liability component and equity component by applying the principles laid down in Ind AS 32. The Liability Component has been subsequently recognized at amortized cost.

(b) Deferred tax
Under Ind AS, Deferred tax asset shall be recognized for carry forward unused tax losses and tax credit to the extent it is probable that future taxable profit will be available against which such tax losses and tax credit can be utilized. As a result of this, company has recognized the tax credit in nature of Minimum alternative tax (MAT) as deferred tax asset.

The various transitional adjustments have led to temporary differences and accordingly, the Company has accounted for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity

(c) Measurements of Gratuity provisions
Under Ind AS, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Restated Statement of Profit and Loss.

The fair value of plan assets and present value of defined benefit liability are remeasured as per IND AS 19. As a result, the income/ expenses recognized in income statement and other comprehensive income has been restated to comply with IND AS – 19.

(d) Other comprehensive income
Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period unless standard requires or permits otherwise. Items of income and expenses, that are not recognized in statement of profit and loss but are shown in the Restated Statement of Profit and Loss as 'other comprehensive income' include re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the Previous GAAP.

(zc) Exemptions and exceptions applied for first time adoption of IND AS as per IND AS 101

A. Exemptions applied (as Applicable)

(a) Deemed cost
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all its property, plant and equipment at their Previous GAAP carrying value.

(b) Designation of previously recognized financial instruments

Financial assets and financial liabilities are classified at fair value through profit or loss or amortized cost as applicable based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognized at fair value or amortized cost as at the date of transition to Ind AS i.e. 1 April 2019, and not from the date of initial recognition.

B. Mandatory Exceptions

The Company has adopted all relevant mandatory exceptions as set out in Ind AS 101, which are as below:

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(a) Estimates
The estimates as at 1 April 2019, are consistent with those made for the same dates in accordance with Indian GAAP except impairment of financial assets based on expected credit loss model. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2019, the date of transition to Ind AS and as of 31 March 2020.

(b) Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) based on the facts and circumstances that exist at the date of transition to Ind AS.

(c) Derecognition of financial assets and financial Liabilities
As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions appearing on or after the date of transition to Ind AS.

(d) Impairment of financial assets
The Company has applied, exception related to impairment of financial

assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk at 1st April, 2019.

(zd) Recent accounting developments

(a) The Ministry of Corporate Affairs (MCA) has not notified any new Ind AS or amendment to existing Ind AS which would be applicable to Company from 1 April 2021.

(b) MCA has notified certain additional amendments in Schedule III, Division II relating to disclosure requirements in the financial statements, effective from 1 April 2021. These being in the nature of disclosures, there will be no impact in accounting.

(c) The Code on Wages, 2019 and the Code on Social Security, 2020 have been enacted, however, the effective date from which changes are applicable are yet to be notified. The impact of the same would be given in the financial statements in the period in which the Codes become effective and the Rules/Schemes thereunder are notified

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2(b) Property, plant and equipments

As at 31/03/2021	(Figures in ₹)		
	As at 01/04/2020	Gross Block As at 31/03/2021 Additions	Net Block As at 31/03/2021 As at 31/03/2020
		As at 01/04/2020 Additions	As at 31/03/2021 As at 31/03/2020
(a) Land	2,02,68,460	2,00,000	2,04,68,460
(b) Buildings	10,31,51,990	8,15,49,148	18,47,01,138
(c) Plant and Equipment:			
Plant & Machinery	10,69,09,757	6,41,44,097	17,10,53,854
Pollution Equipments	1,01,47,278	2,31,678	1,03,78,956
Tools Components, Spare and others	31,30,50,923	50,35,840	31,80,86,763
Rolls	3,44,40,194	-	3,44,40,194
Solar Panels	3,75,000	-	3,75,000
Furniture and Fixtures	6,43,961	47,550	6,91,511
(e) Vehicles	2,01,29,125	22,44,936	2,23,74,061
(f) Office Equipments	16,07,104	7,50,332	23,57,436
(g) Electrical Equipments	17,09,08,473	17,98,992	17,27,07,464
(h) Air Conditioners	3,52,249	96,000	4,48,249
(i) Computers	8,56,179	4,81,368	13,37,547
Total	78,28,40,692	15,65,79,942	93,94,20,634

As at 31/03/2020	(Figures in ₹)		
	As at 01/04/2019	Gross Block As at 31/03/2020 Additions	Net Block As at 31/03/2020 As at 31/03/2019
		As at 01/04/2019 Additions	As at 31/03/2020 As at 31/03/2019
(a) Land	2,23,980	2,00,44,480	2,02,68,460
(b) Buildings	10,11,63,964	19,88,025	10,31,51,990
(c) Plant and Equipment:			
Plant & Machinery	10,27,79,180	41,30,577	10,69,09,757
Pollution Equipments	96,66,422	4,80,856	1,01,47,278
Tools Components , Spare and others	26,17,73,276	5,12,77,648	31,30,50,923
Rolls	2,20,98,314	1,23,41,880	3,44,40,194
Solar Panels	3,75,000	-	3,75,000

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

As at 31/03/2020	(Figures in ₹)		
	As at 01/04/2019	Gross Block As at 31/03/2020 Additions	Net Block As at 31/03/2019
		As at 01/04/2019 Additions	As at 31/03/2020 As at 31/03/2019
(d) Furniture and Fixtures	5,94,279	49,682	6,43,961
(e) Vehicles	1,60,05,443	41,23,682	2,01,29,125
(f) Office Equipments	13,62,323	2,44,781	16,07,104
(g) Electrical Equipments	14,72,77,278	2,36,31,194	17,09,08,473
(h) Air Conditioners	3,52,249	-	3,52,249
(i) Computers	7,53,891	1,02,288	8,56,179
Total	66,44,25,598	11,84,15,094	78,28,40,692

2(b) Capital work-in-progress

As at 31/03/2021	(Figures in ₹)		
	As at 01/04/2020	Disposal/ Adjustments	As at 31/03/2021
	As at 01/04/2020 Additions	As at 31/03/2020 As at 31/03/2019	As at 31/03/2021
Buildings	12,58,640	3,46,853	12,58,640
Electrical Equipments	-	1,96,76,075	1,96,76,075
Plant & Machinery	-	45,13,121	45,13,121
Pollution equipments	-	60,49,295	60,49,295
Rolls	-	1,62,69,753	1,62,69,753
Tools Components , Spare and others	-	3,64,69,826	3,64,69,826
Total	12,58,640	8,33,24,923	12,58,640

As at 31/03/2020	(Figures in ₹)		
	As at 01/04/2019	Disposal/ Adjustments	As at 31/03/2020
	As at 01/04/2019 Additions	As at 31/03/2020 As at 31/03/2019	As at 31/03/2021
Buildings	-	12,58,640	12,58,640
Total	-	12,58,640	12,58,640

2.1 All the Property, plant and equipment (including Capital work-in-progress) are securitised as primary securities against secured loans and as collateral securities for working capital finance with the financiers (Refer Note 12(a) and 17(a)(i)).

2.2 Capital work-in-progress includes borrowing cost of ₹31119391, capitalised during the year 2020-21, as at 31st March 2020 ₹ Nil.



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 3 Other Financial Assets

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
(Unsecured, considered good)			
Fixed deposits with banks (having maturity above 12 months)	48,64,249	45,97,300	1,97,300
Rent deposit	42,000	42,000	42,000
Total	49,06,249	46,39,300	2,39,300

3.1 Out of the above, fixed deposits kept under lien against bank guarantee issued by the bank in favour of:

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
(a) Pollution Control Board	1,66,600	1,66,300	66,300
(b) National Highway Authority	1,47,764	1,31,000	1,31,000
	3,14,364	2,97,300	1,97,300

3.2

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
Fixed deposits kept as collateral against loan with Canara Bank	45,49,885	43,00,000	-
	48,64,249	45,97,300	1,97,300

Note 4 Other non-current assets

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
IPO Expenses	-	-	15,40,900
Hariom Employees Gratuity Trust	15,59,731	15,87,944	6,31,961
Deposit with Govt. Authorities	20,26,708	1,51,708	1,26,708
Total	35,86,439	17,39,652	22,99,569

4.1 There is no advances which are due from directors or other officers of the company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person.

Note 5 Inventories

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
Raw materials	11,78,03,018	7,38,46,714	11,24,62,185
Finished goods	35,91,45,081	28,45,67,312	9,58,39,482
Stores, spares and consumables	32,38,52,398	23,69,35,217	18,18,17,650
Total	80,08,00,497	59,53,49,243	39,01,19,317

5.1 All the above inventories are offered as primary securities against working capital finance and collateral securities against property, plant and equipment (except vehicle loans from other tha banks) to Canara bank

5.2 For mode of valuation of inventories, please refer note 1(r) of the significant accounting policies

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 6 Trade receivables

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
Trade Receivables considered good - secured	-	-	-
Trade Receivables considered good - unsecured	19,62,90,858	22,77,60,134	10,48,57,867
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Total	19,62,90,858	22,77,60,134	10,48,57,867

6.1 All the above trade receivables are offered as primary securities against working capital finance and collateral securities against property, plant and equipment (except vehicle loans from other tha banks) to Canara bank.

6.2

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
Trade receivable include the amounts due from a firm in which the directors are partners	23,91,069	-	43,35,877

Note 7(a) Cash and cash equivalents

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
Cash on Hand	1,25,744	10,69,652	1,34,847
Balance with banks			
On Current accounts	70,49,340	3,79,629	3,96,63,716
On Term deposit accounts	6,00,000	1,52,32,923	-
Total	77,75,084	1,66,82,204	3,97,98,564

Note 7(b) Bank balances other than Cash and cash equivalents

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
Term Deposits with Banks	10,23,579	-	-
Total	10,23,579	-	-

7.(b).1 The above term deposits under lein as margin money with Canara Bank against Letters of credits.

Note 8 Other financial assets

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
(Unsecured, considered good)			
Interest Accrued	5,41,895	-	15,117
Insurance Claim Receivable	-	1,72,238	15,64,289
Total	5,41,895	1,72,238	15,79,406



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 9 Other current assets

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
(Unsecured, considered good)			
Advances other than Capital advances			
(a) Security deposits with electricity board	1,88,28,398	2,08,73,651	1,20,75,895
(b) Advance to suppliers	75,20,560	1,96,71,646	26,55,836
(c) Advance for capital goods	74,01,301	85,17,346	2,82,99,664
(d) Advance against salaries to employees	66,53,413	1,19,550	6,07,040
(e) Others:			
Prepaid expenses	8,93,233	12,74,408	8,22,622
Balances with government authorities			
(i) Goods and services tax (GST) credit receivable	40,80,338	-	1,81,02,176
(ii) Sales-tax receivable	84,732	84,732	84,732
(iii) Excise Duty	7,125	7,125	7,125
(iv) Income tax receivable	31,87,886	31,87,886	31,87,886
Advances for IPO	15,19,756	-	-
Other Receivable		2,63,501	17,600
Hariom Employees Gratuity Trust	14,084	2,11,413	5,76,077
Total	5,01,90,827	5,42,11,258	6,64,36,653

9.1 There is no advances which are due from directors or other officers of the company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person

Note 10 Equity Share Capital

(Figures in ₹)						
	As at 31/03/2021		As at 31/03/2020		As at 31/03/2019	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
10.1 Authorised Equity Share capital						
Equity Shares of ₹10/- each with voting rights	2,46,83,800	24,68,38,000	1,56,83,800	15,68,38,000	1,56,83,800	15,68,38,000
10.2 Issued Capital						
Equity Shares of ₹10/- each with voting rights	1,69,61,204	16,96,12,040	1,44,00,092	14,40,00,920	1,44,00,092	14,40,00,920
10.3 Subscribed & Paid Up Capital						
Equity Shares of ₹10/- each with voting rights	1,69,61,204	16,96,12,040	1,32,33,430	13,23,34,300	1,32,33,430	13,23,34,300
10.4 Reconciliation of no. of equity shares at the beginning and at the end of the year						
At the beginning of the year	1,32,33,430	13,23,34,300	1,32,33,430	13,23,34,300	1,09,00,092	10,90,00,920
Add: Issued during the year						
(a) Fresh issue of shares	1,85,000	18,50,000			23,33,338	2,33,33,380
(b) Conversion of convertible preference shares (Refer note no. 10.5 & 10.6)	24,86,108	2,48,61,080	-	-	-	-
(c) Conversion of Inter Corporate Deposits (Refer note no 10.7)	10,56,666	1,05,66,660	-	-	-	-
At the year end	1,69,61,204	16,96,12,040	1,32,33,430	13,23,34,300	1,32,33,430	13,23,34,300

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

(Figures in ₹)						
	As at 31/03/2021		As at 31/03/2020		As at 31/03/2019	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
10.5 3 % Series A Redeemable Non Cumulative Preference Shares (RNCPS)						
At the beginning of the year	29,50,000	2,95,00,000	28,54,028	2,85,40,280	-	-
Issued during the year	-	-	95,972	9,59,720	28,54,028	2,85,40,280
(Converted/ Redeem) during the year	(29,50,000)	(2,95,00,000)				
At the closing of the year	-	-	29,50,000	2,95,00,000	28,54,028	2,85,40,280
10.5.1 3% Series A Redeemable Non Cumulative Preference Shares @ ₹10/- were due to be redeemed in the financial year 2024-25. However during the current financial year these preference shares were converted into Compulsorily convertible preference shares which were simultaneously converted into 8,19,443 Equity Shares of ₹10/- each at a price of ₹36/- per share which represents the book value per share						
10.6 0% Series B compulsorily convertible non- cumulative Preference Shares (CCNCPS)						
At the beginning of the year	50,00,000	5,00,00,000	-	-	-	-
Issued during the year	10,00,000	1,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
(Converted/ Redeem) during the year	(60,00,000)	(6,00,00,000)				
At the year end	-	-	50,00,000	5,00,00,000	50,00,000	5,00,00,000

10.6.1 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- were converted into 16,66,665 Equity Shares of ₹10/- each at a price of ₹36/- per share which represents the book value per share

10.6.7 During the FY 2020-21 the Company has converted inter corporate deposits of ₹3,80,39,976 standing in the name of M/s Ansh Commerce Private Limited and M/s ReoSolutions Private Limited into 10,56,666 Equity Shares of ₹10/- each at a price of ₹36 per share (Book Value) as mutually agreed with the lenders.

10.8 Equity shareholders holding more than 5% equity shares:

Name of the Shareholder	% of shares held	No. of shares held	% of shares held	No. of shares held	% of shares held	No. of shares held
Rupesh Kumar Gupta	24.73%	41,93,847	27.49%	36,38,292	27.49%	36,38,292
Sailesh Gupta	17.31%	29,36,222	18.62%	24,64,000	18.62%	24,64,000
Rupesh Kumar./Shailesh Kumar./Rakesh Kumar Gupta	13.76%	23,33,338	17.63%	23,33,338	17.63%	23,33,338
Ansh Commerce Private Limited	11.68%	19,81,665	-	-	-	-
Rakesh Kumar Gupta	11.14%	18,90,000	14.28%	18,90,000	14.28%	18,90,000
Sunita Gupta	7.82%	13,25,720	6.13%	8,11,832	6.13%	8,11,832
Parul Gupta	5.34%	9,05,968	6.85%	9,05,968	6.85%	9,05,968

10.9 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.

10.10 Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share.



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
	No. of Shares issued as bonus shares	No. of Shares issued as bonus shares	No. of Shares issued as bonus shares
10.11 The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years i.e. on 23rd December 2017, as at the year end	89,53,647	89,53,647	89,53,647
10.12 The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended	-	-	-
10.13 Capital Management			
The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.			

Note 11 Other Equity

	Equity component of compound financial instruments	Reserves and surplus		(Figures in ₹)
		Securities premium	Surplus in Statement of profit and loss	Total
Balance as at 1 April 2018	-	19,29,080	8,39,46,474	8,58,75,554
Add/(Less):				
Premium on issue of shares		4,66,66,760	-	4,66,66,760
Total Comprehensive Income for the year	-	-	7,99,50,774	7,99,50,774
Balance as at 31 March 2019	-	4,85,95,840	16,38,97,248	21,24,93,088
Affect of transition to IND AS:				
(a) 3% Series A Redeemable Non Cumulative Preference Shares	1,05,55,062	-	-	1,05,55,062
(b) 0% Series A Redeemable Non Cumulative Preference Shares	94,64,025	-	-	94,64,025
(c) On recognition of income/expenses as per IND AS	-	-	(39,43,343)	(39,43,343)
	2,00,19,087	-	(39,43,343)	1,60,75,744
Restated bal. as at 31 March 2019	2,00,19,087	4,85,95,840	15,99,53,905	22,85,68,832
Balance as at 1 April 2019	2,00,19,087	4,85,95,840	15,99,53,905	22,85,68,832
Add/(less):				
(a) Total Comprehensive Income for the year	-	-	7,97,19,807	7,97,19,807
(b) 3% Series A Redeemable Non Cumulative Preference Shares	3,06,551	-	-	3,06,551
(c) 0 % Series A Redeemable Non Cumulative Preference Shares	-	-	-	-
(d) 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares	5,00,00,000			5,00,00,000
	5,03,06,551	-	7,97,19,807	13,00,26,358
Less: Dividends (including dividend distribution tax) paid	-	-	79,40,058	79,40,058
Balance as at 31 March 2020	7,03,25,638	4,85,95,840	23,17,33,654	35,06,55,132
Balance as at 1 April 2020	7,03,25,638	4,85,95,840	23,17,33,654	35,06,55,132
Additions during the year:				
(a) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	1,00,00,000			1,00,00,000
(b) Total Comprehensive Income for the year	-	-	15,15,66,019	15,15,66,019
(c) Premium on issue of shares	-	48,10,000	-	48,10,000

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

	Equity component of compound financial instruments	Reserves and surplus		(Figures in ₹)
		Securities premium	Surplus in Statement of profit and loss	Total
(d) Premium on conversion convertible preference shares	-	6,46,38,808	-	6,46,38,808
(e) Premium on conversion of inter corporate deposits	-	2,74,73,316	-	2,74,73,316
	1,00,00,000	9,69,22,124	15,15,66,019	25,84,88,143
Less:				
3% Series A Redeemable Non Cumulative Preference Shares	1,08,61,613	-	-	1,08,61,613
0% Series B Compulsorily Convertible Non- Cumulative Preference Shares	6,00,00,000			6,00,00,000
Balance as at 31 March 2021	94,64,025	14,55,17,964	38,32,99,673	53,82,81,662

11.1 Term and conditions of compound financial instruments - Preference Shares

11.1.1 3% Series A Redeemable Non Cumulative Preference Shares

*Converted into 0% Compulsorily Convertible preference shares on 24/12/2020
29,50,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10 each fully paid up

Terms and conditions

- i) The RNCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- ii) The RNCPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;
- iii) The RNCPS shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- iv) The payment of dividend shall be on Non cumulative basis for the RNCPS.
- v) The RNCPS shall be Non-convertible.
- vi) The RNCPS shall be redeemable within a period of 5 years from the date of allotment at par on the Face Value of the preference shares.

11.1.2 0 % Series A Redeemable Non Cumulative Preference Shares

33,16,200 .0% Series A Redeemable Non Cumulative Preference Shares of ₹10 each

Terms and conditions

- i) carry a preferential right vis-i-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital
- ii) be Non-participating in the surplus funds;
- iii) be paid dividend on a non - cumulative basis.
- iv) be redeemed at a premium of 5 % at any time within a period of 5 years from date of allotment or at a premium of 10 % at any time after a period of 5 years but within a period of 10 years from the date of allotment or at a premium of 20 % after a period of 10 years from the date of allotment at the option of the Board:
- v) have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

11.1.3 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares
60,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10 each.

Terms and conditions

- i) The 0% CCNCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- ii) The 0% CCNCPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;
- iii) The 0% CCNCPS shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- iv) The payment of dividend shall be on Non cumulative basis for the 0% CCNCPS.
- v) The 0% CCNCPS shall be Compulsorily convertible into Equity Shares of the Company
- vi) The 0% CCNCPS shall be Non Redeemable Preference Shares”

11.2 Nature and purpose of creation and utilisation of reserves

- 11.2.1 Securities Premium: Securities premium is created on excess amount received over and above the face value on issue of the shares and securities. The securities premium can be utilised in accordance with the provisions of Section 52 of the Companies Act 2013. These include issue of bonus shares and writing of expenses incurred such as commission etc on issue of shares/securities.
- 11.2.2 Retained Earnings Retained earnings are the profits that the company has earned till date, less any transfer to general reserve, dividends or other distribution or the distributions paid to the shareholders.

Note 12 Borrowings

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
Secured:			
(a) Term Loans : (Refer note 2.1)			
(i) From banks - Canara Bank	31,70,23,678	18,06,50,000	19,34,28,324
- Canara Bank (Vehicle Loans)	2,90,478	4,23,470	6,20,055
- HDFC Bank (Vehicle Loans)	15,46,190	21,61,134	-
(ii) From Others - Kotak Mahindra Prime Ltd (Vehicle Loans)	8,63,856	21,83,440	36,21,593
	31,97,24,202	18,54,18,044	19,76,69,972
Unsecured			
(a) Loans from related parties (Unsecured)			
(i) From Directors	1,97,16,245	1,10,16,185	2,77,67,185
(ii) From other group companies - Inter company deposits	-	4,30,40,000	4,30,40,000
	1,97,16,245	5,40,56,185	7,08,07,185
(b) Liability component of compound financial instruments			
- Convertible preference shares			
0% Redeemable Non Cumulative Preference Shares (Refer note no. 12.2)	-	3,22,40,833	2,98,52,623
3% Redeemable Non Cumulative Preference Shares	-	-	1,79,85,218
	-	3,22,40,833	4,78,37,841
Total (a) +(b)	1,97,16,245	8,62,97,018	11,86,45,026
Total	33,94,40,447	27,17,15,062	31,63,14,998

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

(Figures in ₹)			
	Year ended March 31st, 2021	Year ended March 31st, 2020	Year ended March 31st, 2020
12.1 Note (i) Term and conditions for repayment of loan			
Primary Charge on equitable mortgage of land & buildings , existing plant & machinery and other property, plant and equipments, and by collateral security for working capital, whether present or future and are further guaranteed by two Directors of the Company & their Family Members. The loan taken from Canara Bank MCB Branch is repayable in 58 monthly installments starting from Jun'2019 till Mar' 2024. Applicable Rate of Interest for the FY 2020-21 is 10.10% (Applicable Rate of Interest for the FY 2019-20 is 10.90%	20,31,40,955	23,94,00,000	23,92,38,324
Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb' 2017 till Oct' 2021. Applicable Rate of Interest for FY 2020-21 is 11.25% (Applicable Rate of Interest for FY 2019-20 is 12.25%)	12,50,000	41,90,000	71,30,000
Secured by Primary Charge on Equitable Mortgage of Land & Building , existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in 57 monthly installments starting from April'2021 till March' 2025. on an annual interest rate @ 9.93%	9,52,14,524	-	-
Secured by Primary Charge on Equitable Mortgage of Land & Building , existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in 18 monthly installments starting from Jan'2021 till June' 2022. Applicable Rate of Interest is 8.10%	2,66,27,376	-	-
Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in 60 monthly installments starting from April' 2022 till March' 2026. Applicable Rate of Interest is 7.69%	9,66,33,944	-	-
Total	42,28,66,799	24,35,90,000	24,63,68,324
Less :- Current maturities of long term borrowings	10,58,43,121	6,29,40,000	5,29,40,000
Total Long term Borrowings	31,70,23,678	18,06,50,000	19,34,28,324
Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in 60 monthly installments till May' 2024. Applicable Rate of Interest is 9.25%	21,62,134	27,23,858	1,17,290
Less :- Current maturities of long term borrowings	6,15,944	5,62,724	1,17,290
Total Long term Borrowings	15,46,190	21,61,134	-
Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Canara Bank is repayable in monthly 60 installments till Jan'2023. Applicable Rate of Interest is 7.85%	5,10,324	6,24,861	8,04,768
Less :- Current maturities of long term borrowings	2,19,846	2,01,391	1,84,713
Total Long term Borrowings	2,90,478	4,23,470	6,20,055
Note (ii) Term and conditions for repayment of loan other than bank as follows:			
Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in 60 monthly installments till Jan'2023. Applicable Rate of Interest is 7.75%	20,56,322	32,87,281	43,39,479
Less :- Current maturities of long term borrowings	11,92,466	11,03,841	7,17,886
Total Long term Borrowings	8,63,856	21,83,440	36,21,593



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

12.2 The Company had issued in 2016 0% Redeemable Non Cumulative Preference Shares with an option to Company to redeem at the end of 5 years. The Company has accordingly exercised the option during the year and initiating with preference shareholders for KYC and repayment of the said preference shares.

12.3 For terms and conditions for Compound financial instruments, refer note no. 11.1

12.4 The Company had issued in 2016 0% Redeemable Non Cumulative Preference Shares with an option to Company to redeem at the end of 5 years. The Company has accordingly exercised the option during the year and initiating with preference shareholders for KYC and repayment of the said preference shares.

Note 13 Provisions

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
- for Employee gratuity	20,58,302	15,87,944	10,82,130

Note 14 Deferred tax liabilities (Net)

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
Balance in the beginning (Net)	2,22,79,537	95,72,368	21,91,089
Add: Deferred tax recognised in Profit and Loss other than MAT	41,09,283	1,69,35,802	1,26,08,661
Minimum alternate tax (credit) available	94,56,015	-	-
Minimum alternate tax (credit) utilised (DTA)/Excess credit utilised	-	(42,28,633)	(52,27,382)
Balance at the year end (Net)	3,58,44,835	2,22,79,537	95,72,368

Note 15 Borrowings

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
Secured:			
Loan repayable on demand			
(a) From banks:			
(i) Working capital facilities from Canara Bank	25,93,88,006	26,52,41,248	14,94,36,015
(ii) Bills discounted under LC	6,02,28,910	5,98,16,125	3,84,94,387
Total	31,96,16,916	32,50,57,373	18,79,30,402

15.1 The above loans are secured by way of hypothecation of inventories and receivables and by secondary charge on other property, plant and equipments. These are also guarantees by the personal guarantees of the Directors and their relatives.

Note 16 Trade payable

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
(a) Outstanding dues of Micro and small enterprises	-	-	-
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	4,29,93,494	14,92,71,814	7,70,77,718
Total	4,29,93,494	14,92,71,814	7,70,77,718

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

16.1 The information in respect of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been given in respect of such vendors to the extent they could be identified as Micro, Small enterprises on the basis of information available with the company on records.

16.2 The information required under note no. 6. FA (a) to (e) as per the general instruction for preparation of balance sheet not applicable as there are no trade payable for SME.

16.3 Trade payable include the amounts due to a firm in which the directors are partners .

Note 17 Other financial liabilities

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
(a) Current maturities of long term borrowings towards:			
(i) Long term borrowings from banks	10,66,78,911	6,37,04,116	5,32,42,003
(ii) Long term borrowings from other than banks	11,92,466	11,03,841	7,17,886
(iii) Compound financial instruments - Preference shares	3,48,20,100	2,00,77,204	-
	14,26,91,477	8,48,85,161	5,39,59,889
(b) Capital goods and Consumable stores and spares	9,68,04,953	2,62,35,889	96,35,335
Total	23,94,96,430	11,11,21,051	6,35,95,224

Note 18 Other current liabilities

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
(a) Statutory dues payable	2,53,32,070	1,13,46,823	32,77,913
(b) Other liabilities - Outstanding expenses	12,49,082	59,28,677	5,86,167
Total	2,65,81,152	1,72,75,500	38,64,080

Note 19 Provisions

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
- for Employee gratuity	18,586	2,11,413	9,86,438

Note 20 Current tax liabilities (Net)

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
Provision for tax (net of taxes paid)	2,34,58,802	1,52,62,471	1,21,84,569

Note 21 Revenue from operations

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Sale of products (Refer note 21.1 below)	2,54,13,89,285	1,60,77,69,364
Total	2,54,13,89,285	1,60,77,69,364
21.1 (i) Sales and Services :		
Sales of manufacturing goods	3,02,56,07,017	1,89,71,67,168
Total	3,02,56,07,017	1,89,71,67,168



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
Less: Taxes & Duties	46,26,25,473	28,93,97,804
Less: Internal Stock Transfer	2,15,92,259	-
Revenue from operations	2,54,13,89,285	1,60,77,69,364

Note 22 Other income

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Interest income	42,22,671	36,83,328
(b) Gain on foreign currency transactions (net)	5,256	19,783
(c) Gain on Settlement of Compound Financial Instrument	26,13,746	-
(d) Miscellaneous Income		32,877
Total	68,41,673	37,35,988

Note 23 Cost of materials consumed

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Raw materials consumed:		
Opening stock	7,38,46,714	11,24,62,185
Add: Purchases during the year	1,82,20,50,287	1,01,45,93,726
	1,89,58,97,001	1,12,70,55,911
Less: Internal Stock Transfer	2,15,92,259	-
Less: Closing Stock	11,78,03,018	7,38,46,714
	13,93,95,277	7,38,46,714
Raw materials consumed	1,75,65,01,724	1,05,32,09,197
(b) Stores & Spares consumed:		
Opening stock	23,69,35,217	18,18,17,650
Add: Purchases during the year	13,35,85,673	9,72,27,211
	37,05,20,890	27,90,44,861
Less: Closing Stock	32,38,52,398	23,69,35,217
Stores and spares consumed	4,66,68,492	4,21,09,644
Total cost of materials consumed	1,80,31,70,216	1,09,53,18,841

Note 24 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Finished goods		
Opening stock	28,45,67,312	9,58,39,482
Less: Closing Stock	35,91,45,081	28,45,67,312
(Increase)/decrease in inventories	(7,45,77,769)	(18,87,27,830)

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 25 Employee benefits expense

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Salaries and wages	9,32,43,782	7,71,70,217
(b) Contribution to provident fund/employees state Insurance and others	15,06,654	12,49,390
(c) Staff welfare expenses	3,04,974	45,42,194
Total	9,50,55,410	8,29,61,801

Note 26 Finance costs

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Interest expense :		
(i) Working Capital Facilities	2,86,25,228	2,36,14,209
(ii) Term Loan	3,00,49,304	3,15,94,096
(iii) Vehicle Loan	5,02,718	6,00,691
(iv) LC Commission	1,04,36,214	1,20,65,875
(v) Interest on compound Financial Instruments	37,54,196	38,27,027
	7,33,67,660	7,17,01,899
(b) Other financial costs	17,53,225	20,05,114
Total	7,51,20,885	7,37,07,013

Note 27 Other expenses

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Power and fuel	33,81,03,435	36,54,90,228
(b) Communication Expenses	3,24,263	3,39,084
(c) Director Sitting Fees	3,47,500	3,50,000
(d) Commission Expenses	10,73,708	1,34,888
(e) Office Maintenance	1,66,917	65,666
(f) Printing & Stationary	2,85,809	4,79,016
(g) Security Services	17,20,865	7,63,300
(h) Other selling & Distribution expenses	2,71,894	4,17,728
(i) Rent	16,80,000	16,80,000
(j) Travelling and conveyance	24,88,367	28,33,307
(k) Payment to auditors (refer note 27.1 below)	2,30,000	2,00,000
(l) Legal and professional charges	40,61,493	25,84,202
(m) Job work charges	-	27,000
(n) Repairs and Maintenance		
(i) Building	25,52,569	6,72,819
(ii) Plant and machinery	1,45,41,299	12,82,252
(iii) Vehicles	4,26,515	3,83,956
(iv) Others	2,70,217	2,75,694
(o) Fees and taxes	23,15,691	26,35,461
(p) Corporate social responsibility (refer note 27.2 below)	27,93,151	11,90,550
(q) Insurance	11,02,941	10,00,414
(r) Miscellaneous Expenses	1,55,431	5,56,073
Total	37,49,12,066	38,33,61,639



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 27.2 Payment to statutory auditors

	(Figures in ₹)	
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
For audit	1,70,000	1,40,000
For other services	60,000	60,000
	2,30,000	2,00,000

Note 27.2 As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR Expenditure as required by the Management are as follows :

	(Figures in ₹)	
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Gross amount required to be spent by the Company for the year	15,36,486	10,86,165
(b) Amount spent during the year:		
(i) on purposes other than construction / acquisition of any asset	27,93,151	11,90,550
(ii) for the purpose of acquisition / construction of assets	-	-
	27,93,151	11,90,550
(c) Out of the above, expenses recognised in Statement of Profit and Loss		
(a) Expenses actually incurred i.e paid (cash)	27,93,151	11,90,550
(b) Expenses incurred but not paid, i.e provided for (Provision)	-	-
	27,93,151	11,90,550

Note 28 Disclosure pursuant to Ind AS 12 “Income Taxes”

	(Figures in ₹)	
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current tax	4,47,52,122	2,06,09,419
Deferred tax	43,54,287	1,66,90,430
Minimum alternate tax credit entitlement	94,56,015	(42,28,633)
Tax for earlier periods	20,91,619	10,92,943
Total	6,06,54,042	3,41,64,160

a) Income tax expenses - current and deferred tax

	(Figures in ₹)	
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
1. Profit or Loss section		
(i) Current Income tax :		
Current income tax expense	4,47,52,122	2,06,09,419
Tax expense of earlier years	20,91,619	10,92,943
(ii) Deferred Tax:		
Tax expense on origination and reversal of temporary differences	38,95,467	1,66,90,430
Minimum alternate tax (MAT) credit	94,56,015	(42,28,633)
Effect of previously unrecognised tax losses on which deferred tax benefit is recognised	-	-
Effect on deferred tax balances due to the change in income tax rate	4,58,819	-
Total (ii)	1,38,10,301	1,24,61,797
Income tax expense reported in Profit or Loss [(i)+(ii)]	6,06,54,041	3,41,64,160

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

	(Figures in ₹)	
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
2. Other comprehensive income (OCI) Section:		
(i) Items not to be reclassified to Profit or Loss in subsequent periods:		
Current tax expense/(income):		
On remeasurement of defined benefit plans	(2,45,004)	2,45,372
	-	2,45,372
Income tax expense reported in the OCI section	(2,45,004)	2,45,372

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

	(Figures in ₹)	
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(1) Profit before tax as per the Statement of Profit and loss	21,19,73,596	11,32,47,341
(2) Corporate tax rate as per Income Tax Act, 1961	29.12%	29.12%
(3) Tax on Accounting profit (3) = (1) * (2)	6,17,26,711	3,29,77,626
(i) Tax on Income exempt from tax/Non cash Income :	(7,61,123)	-
(ii) Tax on expenses not tax deductible:		
(A) CSR expenses	7,88,439	2,87,982
(B) Expenses in relation to exempt income		
(C) Other disallowances	13,03,320	1,30,288
(iii) Effect of previously unrecognised tax losses used to reduce deferred tax expense		-
(iv) Effect on deferred tax balances due to the change in income tax rate	4,58,819	-
(v) Effect of current tax related to earlier years	20,91,619	10,92,943
(vi) Tax effect on various other items	48,02,082	(3,24,680)
(vii) Reversal of MAT credit entitlement	(94,56,015)	-
Total effect of tax adjustments (i) to (vii)	(7,72,859)	11,86,534
(5) Tax expense recognised during the year (5)=(3)+(4)	6,09,53,852	3,41,64,160
(6) Effective tax rate (6)=(5)/(1)	28.76%	30.17%

(c) All unused losses as at March 31, 2021 have been set off while filing the Return of Income during the year.

(d) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit and Loss

	(Figures in ₹)	
Particulars	Balance Sheet As at 31/03/2021	As at 31/03/2020
1. Items disallowed u/s 40(a) of Income Tax Act, 1961		
2. Items disallowed u/s 43B of Income Tax Act, 1961	3,91,064	1,01,347
3. Difference in book depreciation and income tax depreciation	3,54,53,771	3,16,34,205
4. Any other disallowance / (allowance)		
5. Minimum alternate tax credit	-	(94,56,015)
6. Deferred tax expense/(income)		
Net deferred tax (assets)/liabilities	3,58,44,835	2,22,79,537



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Particulars	(Figures in ₹)	
	Statement of Profit or Loss	
	For the year ended 31/03/2021	For the year ended 31/03/2020
1. Items disallowed u/s 40(a) of Income Tax Act, 1961		
2. Items disallowed u/s 43B of Income Tax Act, 1961	5,34,721	95,374
3. Difference in book depreciation and income tax depreciation	38,19,566	1,65,95,056
4. Any other disallowance / (allowance)		
5. Minimum alternate tax credit	94,56,015	(42,28,633)
6. Deferred tax expense/(income)	1,38,10,302	1,24,61,797
Net deferred tax (assets)/liabilities		

(d) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit and Loss

Particulars	(Figures in ₹)	
	For the year ended 31/03/2021	For the year ended 31/03/2020
1. Balance as at April 1	2,22,79,537	95,72,368
2. Tax (income)/expense recognised in opening Retained earnings	-	-
3. Tax (income)/expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	1,38,10,302	1,24,61,797
(ii) Statement of Profit and Loss under OCI section	(2,45,004)	2,45,372
4. Balance as at March 31	3,58,44,835	2,22,79,537

Note 29 Reconciliation of Balance Sheet prepared under INGAAP with IND AS as at 31 March, 2020

				(Figures in ₹)
Particulars	Note No.	As per INGAAP as at 31/03/2020	Adjustments / Reclassification	As per IND AS as at 31/03/2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		49,49,58,929	-	49,49,58,929
(b) Capital work-in-progress		12,58,640	-	12,58,640
(c) Financial Assets				
(i) Other Financial Assets	(a)		46,39,300	46,39,300
(e) Other non-current assets	(b)	1,93,708	15,45,944	17,39,652
Total Non Current Assets		49,64,11,277	61,85,244	50,25,96,521
Current assets				
(a) Inventories		59,53,49,243	-	59,53,49,243
(b) Financial Assets				
(i) Trade receivables		22,77,60,134	-	22,77,60,134
(ii) Cash and cash equivalents		1,66,82,204	-	1,66,82,204
(iii) Bank balances other than (iii) above	(c)	45,97,300	(45,97,300)	-
(iv) Other financial assets	(d)	-	1,72,238	1,72,238
(c) Other current assets	(e)	7,07,74,303	(1,65,63,045)	5,42,11,258
Total Current Assets		91,51,63,184	(2,09,88,107)	89,41,75,077
Total Assets		1,41,15,74,462	(1,48,02,862)	1,39,67,71,598
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	(f)	24,49,96,300	(11,26,62,000)	13,23,34,300
(b) Other Equity	(g)	29,04,12,518	6,02,42,614	35,06,55,132
Total Equity		53,54,08,818	(5,24,19,386)	48,29,89,432

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

		(Figures in ₹)		
Particulars	Note No.	As per INGAAP as at 31/03/2020	Adjustments / Reclassification	As per IND AS as at 31/03/2020
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	(h)	36,02,56,476	(8,85,41,414)	27,17,15,062
(b) Provisions		15,87,944	-	15,87,944
(c) Deferred tax liabilities (Net)	(i)	3,16,34,205	(93,54,668)	2,22,79,537
Total Non Current Liabilities		39,34,78,625	(9,78,96,082)	29,55,82,543
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	(j)	33,00,49,205	(49,91,832)	32,50,57,373
(ii) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises; and				-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	(k)	2,84,89,567	12,07,82,247	14,92,71,814
(iii) Other Financial Liabilities	(l)	2,62,35,889	8,48,85,161	11,11,21,051
(b) Other current liabilities	(m)	7,70,91,625	(5,98,16,125)	1,72,75,500
(c) Provisions		2,11,413	-	2,11,413
(d) Current Tax Liabilities (Net)	(n)	2,06,09,319	(53,46,848)	1,52,62,471
Total Current Liabilities		48,26,87,018	13,55,12,604	61,81,99,622
Total Equity and Liabilities		1,41,15,74,462	(1,48,02,863)	1,39,67,71,598

Explanatory Notes

- (a) **Other Financial Assets:** Schedule III as applicable to financial statements prepared under Ind As requires the Fixed deposits having a maturity for more than 12 months and Rent deposits to be classified under Other Financial Assets. Accordingly, Fixed deposit of ₹45,97,300 and Rent deposit of ₹42 000 have been reclassified under Other financial assets. These were classified under Cash and cash equivalents and Long term Loans and advances respectively under INGAAP.
- (b) **Other non-current assets:** Schedule III as applicable to financial statements prepared under Ind As requires the Hariom Employees Gratuity Trust having a maturity for more than 12 months and Rent deposits to be classified under Other non-current assets. Accordingly, Hariom Employees Gratuity Trust ₹15,87,944 and Rent deposit of ₹42 000 has been reclassified under Other non- current assets and Other financial assets respectively. These were classified under Other current assets and Long term Loans and advance respectively under INGAAP.
- (c) **Bank balances other than (iii) above:** Schedule III as applicable to financial statements prepared under Ind As requires the Fixed deposits having a maturity for more than 12 months to be classified under Other Financial Assets. Accordingly, Fixed deposit ₹ 45,97,300 has been reclassified under Other financial assets. These were classified under Cash and cash equivalents under INGAAP.

- (d) **Others financial assets :** Schedule III as applicable to financial statements prepared under Ind As requires the Insurance Claim receivable to be classified under Other Financial Assets under current assets. Accordingly, Insurance Claim receivable ₹1,72,238 has been reclassified under Other financial assets. These were classified under Other current assets under INGAAP.
- (e) **Other current assets :** Schedule III as applicable to financial statements prepared under Ind As requires the Insurance Claim receivable of ₹1,72,238 to be classified as Other financial assets, MAT entitlement of ₹94,56,015 to be classified under deferred tax assets, Income tax payments of ₹ 53,46,848 to be classified under current tax asset or liabilities and Gratuity fund deposits of non-current nature of ₹15,87,944 to be classified under Other non- current assets. Accordingly, all this items have been reclassified aggregating to ₹1,65,63,046 under Other respective heads. These were classified under Other current assets and Short term loans and advances under INGAAP.
- (f) **Equity Share capital :** Schedule III as applicable to financial statements prepared under Ind As requires the Preference share capital to be classified as Debt or Equity instrument according to the nature of compound financial instrument received. Accordingly, preference share capital paid up amounting to ₹11,26,62,000 consisting of 29,50,000 3% Series A Redeemable Non Cumulative Preference Shares (RNCPS) of ₹29,50,00,000, 33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

- ₹3,31,62,000, 50,00,000 0% Series B compulsorily convertible non- cumulative Preference Shares (CCNCPS) of ₹ 5,00,00,000 have been reclassified under debt or equity component of shares.

(g) **Other Equity:** Schedule III as applicable to financial statements prepared under Ind As requires the Preference share capital to be classified as Debt or Equity instrument according to the nature of compound financial instrument received. Accordingly, Equity component of ₹7,03,25,638 recognised as equity component and ₹61,54,648 recognised as finance costs upto 31st march 2019 as at initial balance sheet ₹3827027 recognised as finance costs for the year and ₹101349 recognised as deferred tax adjusted.

(h) **Borrowings:** Schedule III as applicable to financial statements prepared under Ind As requires the Liability component of compound financial instruments to be classified under borrowings under non - current liability. Accordingly, Liability component of compound financial instruments ₹3,22,40,833 has been reclassified under borrowings under non-current liability. These were classified under equity share under INGAAP and reclassification of Amount due to supplier classified under other long term liabilities reclassified as Trade payables of ₹12,07,82,247.

(i) **Deferred tax liabilities (Net):** The adjustment is made on account of MAT and the Interest relating thereto. Under IndAS deferred tax comprise the temporary difference unabsorbed losses, and MAT as per IndAS. MAT as per the earlier accounting system was required to be disclosed as other current assets.
- (j) **Borrowings:** Bill discounted under LC ₹5,98,16,125 has been reclassified under borrowings under non-current liabilities. Current maturities of long term borrowings of ₹ 6,48,07,957 which was classified as short term borrowing has been reclassified as current financial liabilities in accordance with schedule III as applicable to financial statements prepared under IndAS.

(k) **Trade Payable:** Amount due to supplier classified under other long term liabilities reclassified as Trade payables.

(l) **Other Financial Liabilities:** Schedule III as applicable to financial statements prepared under Ind As requires the Current maturities of long term borrowings and Compound financial instruments - Preference shares to be classified under Other financial liabilities. Accordingly, Current maturities of long term borrowings of ₹ 64807957 and Compound financial instruments - Preference shares of ₹ 2,00,77,204 has been reclassified under Other financial liabilities. These were classified under Short term borrowings and equity share capital respectively under INGAAP.

(m) **Other current liabilities:** Bill discounted under LC ₹5,98,16,125 has been reclassified under borrowings under non-current liabilities.

(n) **Current Tax Liabilities (Net):** Schedule III as applicable to financial statements prepared under Ind As requires the Tax payments made to be classified under the current tax assets. Accordingly, ₹53,46,848 of ₹50,00,000 towards advance tax, ₹3,05,701 TDS receivable and ₹41,147 for TCS receivable has been classified as current tax assets and netted of against current tax liabilities. These items were classified as short term loans and advances and other current assets as per the INGAAP.

Reconciliation of Balance Sheet prepared under INGAAP with IND AS as at 1 April 2019

(Figures in ₹)				
Particulars	Note No.	As per INGAAP as at 31/03/2020	Adjustments / Reclassification	As per IND AS as at 31/03/2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		42,81,80,382	-	42,81,80,382
(b) Capital work-in-progress		-	-	-
(c) Financial Assets		-	-	-
(i) Other Financial Assets	(a)	-	2,39,300	2,39,300
(d) Other non-current assets	(b)	17,09,608	5,89,961	22,99,569
Total Non Current Assets		42,98,89,990	8,29,261	43,07,19,251
Current assets				
(a) Inventories		39,01,19,317	-	39,01,19,317
(b) Financial Assets				
(i) Trade receivables		10,48,57,867	-	10,48,57,867
(ii) Cash and cash equivalents		3,97,98,564	-	3,97,98,564
(iii) Bank balances other than (iii) above	(c)	1,97,300	(1,97,300)	-
(iv) Other financial assets	(d)		15,79,406	15,79,406

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

(Figures in ₹)				
Particulars	Note No.	As per INGAAP as at 31/03/2020	Adjustments / Reclassification	As per IND AS as at 31/03/2020
(d) Other current assets	(e)	8,71,91,352	(2,07,54,699)	6,64,36,653
Total Current Assets		62,21,64,400	(1,93,72,592)	60,27,91,808
Total Assets		1,05,20,54,390	(1,85,43,331)	1,03,35,11,059
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	(f)	19,40,36,580	(6,17,02,280)	13,23,34,300
(b) Other Equity	(g)	21,47,04,394	1,38,64,438	22,85,68,832
Total Equity		40,87,40,974	(4,78,37,842)	36,09,03,132
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	(h)	29,76,26,141	1,86,88,857	31,63,14,998
(b) Provisions		10,82,130	-	10,82,130
(c) Deferred tax liabilities (Net)	(i)	1,47,99,750	(52,27,382)	95,72,368
Total Non Current Liabilities		31,35,08,021	1,34,61,475	32,69,69,496
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	(j)	20,33,95,904	(1,54,65,502)	18,79,30,402
(ii) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	(k)	4,79,28,735	2,91,48,983	7,70,77,718
(iii) Other Financial Liabilities	(l)	96,35,335	5,39,59,889	6,35,95,224
(b) Other current liabilities	(m)	4,23,58,467	(3,84,94,387)	38,64,080
(c) Provisions		9,86,438	-	9,86,438
(d) Current Tax Liabilities (Net)	(n)	2,55,00,517	(1,33,15,948)	1,21,84,569
Total Current Liabilities		32,98,05,396	1,58,33,035	34,56,38,431
Total Equity and Liabilities		1,05,20,54,390	(1,85,43,331)	1,03,35,11,059

Explanatory notes for adjustments:

- (a) **Other Financial Assets:** Schedule III as applicable to financial statements prepared under Ind As requires the Fixed deposits having a maturity for more than 12 months and Rent deposits to be classified under Other Financial Assets. Accordingly, Fixed deposit ₹1,97,300 and Rent deposit of ₹42 000 has been reclassified under Other financial assets. These were classified under Cash and cash equivalents and Long term Loans and advance respectively under INGAAP.

(b) **Other non-current assets:** Schedule III as applicable to financial statements prepared under Ind As requires the Hariom Employees Gratuity Trust having a maturity for more than 12 months and Rent deposits to be classified under Other non-current assets. Accordingly, Hariom Employees Gratuity Trust ₹6,31,961 and Rent deposit of ₹42,000 has been reclassified under Other non- current assets and Other financial assets respectively. These were classified under Other current assets and Long term Loans and advance respectively under INGAAP.
- (c) **Bank balances other than (iii) above:** Schedule III as applicable to financial statements prepared under Ind As requires the Fixed deposits having a maturity for more than 12 months to be classified under Other Financial Assets. Accordingly, Fixed deposit ₹1,97,300 has been reclassified under Other financial assets. These were classified under Cash and cash equivalents under INGAAP.

(d) **Others financial assets:** Schedule III as applicable to financial statements prepared under Ind As requires the Insurance Claim receivable and Interest Accrued to be classified under Other Financial Assets under current assets. Accordingly, Insurance Claim receivable ₹15,64,289 and Interest Accrued of ₹15,117 has been reclassified under Other financial assets. These were classified under Other current assets under INGAAP.

(e) **Other current assets:** Schedule III as applicable to financial statements prepared under Ind As requires the Insurance Claim receivable of ₹15,64,289 and Interest Accrued of ₹15,117 to be classified as Other financial assets, MAT entitlement of ₹52,27,382 to be classified under deferred

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

- tax assets, Income tax payments of ₹1,33,15,950 to be classified under current tax asset or liabilities and Gratuity fund deposits of non-current nature of ₹6,31,961 to be classified under Other non- current assets. Accordingly, all this items have been reclassified aggregating to ₹1,65,63,046 under Other respective heads. These were classified under Other current assets and Short term loans and advances under INGAAP.
- (f) **Equity Share capital:** Schedule III as applicable to financial statements prepared under Ind As requires the Preference share capital to be classified as Debt or Equity instrument according to the nature of compound financial instrument received. Accordingly, preference share capital paid up amounting to ₹6,17,02,280 consisting of 28,54,028 3 % Series A Redeemable Non Cumulative Preference Shares (RNCPS) of ₹2,85,40,280, 33,16,200 0 % Series A Redeemable Non Cumulative Preference Shares of ₹3,31,62,000 have been reclassified under debt or equity component of shares.
- (g) **Other Equity:** Schedule III as applicable to financial statements prepared under Ind As requires the Preference share capital to be classified as Debt or Equity instrument according to the nature of compound financial instrument received. Accordingly, Equity component of ₹2,00,19,087 recognised as equity component and ₹61,54,648 recognised as finance costs upto 31 March 2019 as at initial balance sheet.
- (h) **Borrowings:** Schedule III as applicable to financial statements prepared under Ind As requires the Liability component of compound financial instruments and other long term liabilities (dues to supplier) to be classified under borrowings under non - current liability and Trade payable respectively. Accordingly, Liability component of compound financial instruments ₹47,78,37,841 has been reclassified under borrowings under non-current liability and other long term liabilities (dues to supplier)of ₹2,91,48,984. These were classified under equity share and Trade payable under INGAAP.
- (i) **Deferred tax liabilities (Net):** The adjustment is made on account of MAT and the Interest relating thereto. Under IndAS deferred tax comprise the temporary difference unabsorbed losses, and MAT as per IndAS. MAT as per the earlier accounting system was required to be disclosed as other current assets.
- (j) **Borrowings:** Schedule III as applicable to financial statements prepared under Ind As requires the Bill discounted under LC to be classified under borrowings under current liability and Current maturities of long term borrowings to be classified under other financial liabilities. Accordingly, Bill discounted under LC ₹3,84,94,387 has been reclassified under borrowings under non-current liability and Current maturities of long term borrowings of ₹5,39,59,889 under other financial liabilities. These were classified under Other current liabilities and Short term borrowings respectively under INGAAP.
- (k) **Trade Payable:** Amount due to supplier classified under other long term liabilities reclassified as Trade payables.
- (l) **Other Financial Liabilities:** Schedule III as applicable to financial statements prepared under Ind As requires the Current maturities of long term borrowings and Compound financial instruments - Preference shares to be classified under Other financial liabilities. Accordingly, Current maturities of long term borrowings of ₹5,39,59,889 has been reclassified under Other financial liabilities. These were classified under Short term borrowings under INGAAP.
- (m) **Other current liabilities:** Bill discounted under LC ₹3,84,94,387 has been reclassified under borrowings under non-current liabilities.
- (n) **Current Tax Liabilities (Net):** Schedule III as applicable to financial statements prepared under Ind As requires the Tax payments made to be classified under the current tax assets. Accordingly, ₹1,33,15,950 of ₹1,30,00,000 towards advance tax, ₹2,86,743 TDS receivable and ₹29,207 for TCS receivable has been classified as current tax assets and netted of against current tax liabilities. These items were classified as short term loans and advances and other current assets as per the INGAAP.

Note 30 Reconciliation of Profit and Loss prepared under INGAAP with IND AS for the year ended 31st March, 2020

(Figures in ₹)				
Particulars	Note No.	As per IGAAP	Adjustments / Reclassification	As per IND AS
I Revenue from operations		1,60,77,69,364	-	1,60,77,69,364
II Other income	(a)	41,00,183	(3,64,195)	37,35,988
III Total Income (I+II)		1,61,18,69,547	(3,64,195)	1,61,15,05,352
IV EXPENSES				
Cost of materials consumed		1,09,53,18,841	-	1,09,53,18,841
Changes in inventories of finished goods, Stock-in -Trade and working-progress		(18,87,27,830)	-	(18,87,27,830)
Employee benefits expense	(b)	8,27,94,098	1,67,703	8,29,61,801

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

(Figures in ₹)				
Particulars	Note No.	As per IGAAP	Adjustments / Reclassification	As per IND AS
Finance costs	(c)	6,98,79,986	38,27,027	7,37,07,013
Depreciation and amortization expenses		5,16,36,547	-	5,16,36,547
Other expenses	(d)	38,30,11,639	3,50,000	38,33,61,639
Total expenses (IV)		1,49,39,13,281	43,44,730	1,49,82,58,011
V Profit/ (loss) before tax(V-VI)		11,79,56,266	(47,08,925)	11,32,47,341
VI Tax expense:				
(1) Current tax		2,06,09,319	100	2,06,09,419
(2) Deferred tax	(e)	1,27,68,627	(3,06,830)	1,24,61,797
(3) Interest on Income-Tax	(f)	9,30,138	1,62,805	10,92,943
Total Tax Expense (VI)		3,43,08,084	(1,43,925)	3,41,64,160
VII Profit (Loss) for the period from continuing operations (VII-VIII)		8,36,48,182	(45,65,000)	7,90,83,181
VIII Profit/(loss) from discontinued operations				-
IX Tax expenses of discontinued operations				-
X Profit/(loss) from Discontinued operations (after tax) (X-XI)				-
XI Profit/(loss) for the period (IX+XII)		8,36,48,182	(45,65,000)	7,90,83,181
XII Other Comprehensive Income				
A. (i) Items that will not be reclassified to profit or loss		-	-	-
(a) Re-measurements of post employment benefit obligation	(g)	-	(8,81,998)	(8,81,998)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(h)	-	2,45,372	2,45,372
B. (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
XIII Total Comprehensive Income for the period (XIII+XIV)		8,36,48,182	(39,28,374)	7,97,19,807

Explanatory Notes

- (a) **Other income:** Schedule III as applicable to financial statements prepared under Ind As requires the Actuarial Gain on gratuity of ₹ 2,69,211 and Interest income on plan assets of ₹ 94,984 to be classified under Other Comprehensive Income. Accordingly, the same is adjusted from other income and disclosed under Other Comprehensive Income.
- (b) **Employee benefits expense:** Recognition of gratuity expenses of ₹ 5,17,703 as per Ind AS 19 under employee benefit expenses and Transfer of director sitting fees of ₹ 3,50,000 reclassified under Other Expenses.
- (c) **Finance Costs:** The finance costs of financial instruments classified as Preference shares were not recognised under INGAAP. The Ind AS requires the classification of compound financial instruments into equity and debt components and account the finance costs of debt component. Accordingly, Finance costs of ₹ 38,27,027 is recognised for such debt component of compound financial instruments i.e; Preference shares.
- (d) **Other expenses:** Directors' sitting fess ₹3,50,000 erroneously classified as employee benefit costs during the
- previous year. Since there is no relationship of an employee and employer for such directors, the same is reclassified as other expenses in accordance with the requirements of schedule III.
- (e) **Deferred tax :** Due to revised workings after taking effect of gratuity and MAT as per Ind AS 12.
- (f) **Interest on Income-Tax:** This amount represents difference of MAT in last year which has been transferred to Deferred taxes as per IND AS financial
- (g) **Re-measurements of post employment benefit obligation:** Post employment benefits related to gratuity(gain/loss), computed as per IND AS 19 is required to be considered as "Other Comprehensive Income". Such concept does not exist as per the accounting standard applicable under INGAAP.
- (h) **Income tax relating to items that will not be reclassified to profit or loss :** Income tax on Post employment benefits related to gratuity(gain/loss), computed as per IND AS 19 is required to be considered as a tax on "Other Comprehensive Income". Such concept does not exist as per the accounting standard applicable under INGAAP.

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 31 Effect of Ind AS adoption on Statement of Cash Flows for the year ended March 31,2020

(Figures in ₹)				
Particulars	Note No.	As per I-GAAP	Ind AS adjustments / reclassification	As per Ind AS
Net cash flows from operating activities	(a)	6,46,81,550	(5,95,19,290)	51,62,260
Net cash flows from investing activities	(b)	(11,96,73,734)	(7,16,672)	(12,03,90,406)
Net cash flows from financing activities	(c)	3,62,75,825	5,58,35,962	9,21,11,787
Net increase/(decrease) in cash and cash equivalents	(d)	(1,87,16,359)	(44,00,000)	(2,31,16,359)
Cash and cash equivalents as at 01/04/2019		3,99,95,864	(1,97,300)	3,97,98,564
Cash and cash equivalents as at 01/04/2020		2,12,79,504	(45,97,300)	1,66,82,204

31.1 There is no overall impact as the adjustments are due to the reclassification of various items

Note 32 Earning per Share

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Profit for the year attributable to the owners of the Company used in calculating basic and diluted earnings per share	15,13,19,553	7,90,83,181
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,42,16,537	1,32,33,430
Adjustments for calculation of diluted earnings per share (Compulsory convertible preference shares) (Number)	12,24,014	1,06,545
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	1,54,40,551	1,33,39,975
Basic earnings per share	10.64	5.98
Diluted earnings per share	9.80	5.93

Note 33 Disclosure pursuant to Ind AS 19 “Employee Benefits”

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Defined contribution plans:		
Contribution towards PF and ESI recognised as an expense	9,95,261	7,31,687
(b) Defined benefit plans :		
Employee benefit Obligation :		
Gratuity Provisions		
Changes in the Present Value of Obligation	refer para 140(a)(ii) and 141 of Ind AS19	
PV Obligation as at the start:		
Acquisition adjustment -	17,99,358	20,68,567
Interest Cost	-	-
Past Service Cost ---- ----	1,21,096	1,57,832
Current Service Cost	4,15,378	3,59,872
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid/Due to be Paid	(2,89,587)	-
Actuarial (gain)/ loss on oblig.	30,643	(7,86,913)
PV of Obligation as at the end:	20,76,888	17,99,358
Bifurcation of Accrued Liability		
Current Liability (Short term)	18,586	2,11,413
Non-Current Liability (Long term)	20,58,302	15,87,945
Total Accrued Liability	20,76,888	17,99,358

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

(Figures in ₹)		
Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
Changes in the Fair Value of Plan Assets	refer para 140(a)(ii) and 141 of Ind AS19	
FV of Plan Assets at the start:	17,99,357	12,08,038
Acquisition Adjustments	(53,141)	(38,913)
Exp. Return on Plan Assets	85,081	-
Contributions (net)	-	5,35,147
Benefits Paid	(2,89,587)	-
Actuarial Gain /(loss) on Assets	32,105	95,085
FV of Plan Assets at the end:	15,73,815	17,99,357
Change in the Effect of Asset Ceiling	refer para 140(a)(iii) and 141 of Ind AS19	
Effect of Asset Ceiling at the beginning		
Interest Expense or Cost (to the extent not recognised in net interest expense)		
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
Effect of Asset Ceiling at the end		
Expenses Recognised in the Income Statement	refer para 57(c) of Ind AS19	
Current Service Cost	4,15,378	3,59,872
Past Service Cost	-	-
Expected Return on Plan Assets	(85,081)	-
Interest cost	1,21,096	1,57,832
Expenses Recognised in the Income Statement	4,51,393	5,17,704
Other Comprehensive Income	refer para 57(c) of Ind AS19	
Actuarial (gain)/ loss on obligations - change in financial assumptions	(12,298)	1,48,942
Actuarial (gain)/ loss on obligations - change in demographic assumptions	-	-
Actuarial (gain)/ loss on obligations - experience variance (i.e. Actual experience vs assumptions)	42,941	(9,35,855)
Total Actuarial (gain)/ loss on obligations	30,643	(7,86,913)
Actuarial Gain /(loss) on Plan Assets	32,105	95,085
Total OCI	(1,462)	(8,81,998)
Return on plan assets, excluding amount recognised in net interest expense		
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
Components of defined benefit costs recognised in other comprehensive income		
Major categories of Plan Assets (as percentage of Total Plan Assets)		
Government of India securities		
State Government securities		
High quality corporate bonds		
Equity shares of listed companies		
Property		
Special Deposit Scheme		
Funds managed by Insurer		
Bank balance		
Other Investments--LIC	100%	
Total		
Financial Assumptions		
Discount rate (per annum)	6.79%	6.73%
Salary growth rate (per annum)	4.00%	4.00%



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Note 34 Related party transactions and disclosures:

34.1 Related parties where control exists or where significant influence exists and with whom transactions have taken place during the restated period from 1 April 2019 to 31 March 2021 are as follows:.5

A) List of Related Parties :

Name	Relationship	Designation
Rupesh Kumar Gupta	Key Managerial Person	Managing Director
Sailesh Gupta	Key Managerial Person	Whole Time Director
Sunita Gupta	Key Managerial Person	Non-Executive Director
Pramod Kumar Kapoor	Key Managerial Person	Independent Director
Santosh Kumar Rath i (Resign with effect from 19th March 2021)	Key Managerial Person	Independent Director
Amitabha Bhattacharya	Key Managerial Person	Chief Financial Officer
Chirag Partani	Key Managerial Person	Company Secretary & Compliance Officer
Ashish Agarwal	Key Managerial Person	Marketing Head
Rakesh Kumar Gupta	Director's Relative	Executive
Parul Gupta	Director's Relative	Executive
Isha Gupta	Director's Relative	Executive
Ansh Golas	Director's Relative	Executive

B) Enterprises owned or significantly influenced by key managerial personnel:

Reo Solutions Pvt. Ltd.
Ansh Commerce Pvt. Ltd.
Lakshit Trade Link
Ultra Pipes

C) The following transactions were carried out with related parties in ordinary course of business

Particulars	(Figures in ₹)	
	For the year ended 31/03/2021	For the year ended 31/03/2020
(a) Employee benefits expense		
(i) Salaries		
Rupesh Kumar Gupta	1,80,00,000	1,80,00,000
Sailesh Gupta	1,44,00,000	1,44,00,000
Parul Gupta	36,00,000	36,00,000
Isha Gupta	36,00,000	36,00,000
Rakesh Kumar Gupta	24,00,000	24,00,000
Ansh Golas	4,50,000	-
Amitabha Bhattacharya	14,14,140	8,72,200
Chirag Partani	6,10,151	4,31,760
Ashish Agarwal	9,14,140	5,78,000
Total	4,53,88,431	4,38,81,960
(ii) Post employment benefits		
Amitabha Bhattacharya	10,87,546	5,43,188
Chirag Partani	2,57,590	-
Ashish Agarwal	1,17,822	80,732
Total	14,62,958	6,23,920
(iii) Key-insurance premium		
Rupesh Kumar Gupta	20,00,000.00	20,00,000.00
Sailesh Gupta	20,00,000.00	20,00,000.00
Total	40,00,000	40,00,000
(b) Directors' sitting fees:		
Sunita Gupta	1,12,500	1,15,000
Pramod Kumar Kapoor	1,20,000	1,20,000
Santosh Kumar Rath i	1,15,000	1,15,000
Total	3,47,500	3,50,000

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Particulars	(Figures in ₹)	
	For the year ended 31/03/2021	For the year ended 31/03/2020
(c) Rent Paid :		
Rupesh Kumar Gupta	6,60,000	6,60,000
Sailesh Gupta	6,00,000	6,00,000
Parul Gupta	4,20,000	4,20,000
Total	16,80,000	16,80,000
(d) Sales of Goods		
Ultra Pipes	62,16,73,384	31,36,70,317
(e) Purchase of Goods		
Ultra Pipes	37,83,85,911	11,77,97,859
Lakshit Trade Link	12,27,572	-
Total	37,96,13,483	11,77,97,859
(f) Unsecured Loans Taken		
Rupesh Kumar Gupta	47,00,020	43,80,000
Sailesh Gupta	70,00,008	18,69,000
Sunita Gupta	32	1,05,00,000
Ansh Commerce (Pvt.) Ltd.	-	1,90,00,000
Total	1,17,00,060	3,57,49,000
(g) Unsecured Loans repaid/converted into equity shares		
Rupesh Kumar Gupta	30,00,000	1,00,00,000
Sailesh Gupta	-	50,00,000
Sunita Gupta	-	1,85,00,000
Ansh Commerce (Pvt.) Ltd.	4,23,40,000	1,90,00,000
Reo Solutions (Pvt.) Ltd.	7,00,000	-
Total	4,60,40,000	5,25,00,000
(h) Issue of Preference Share Capital		
Ansh Commerce (Pvt.) Ltd.	1,00,00,000	2,40,00,000
Rupesh Kumar Gupta	-	2,00,00,000
Sailesh Gupta	-	1,70,00,000
Sunita Gupta	-	1,85,00,000
Total	1,00,00,000	7,95,00,000
(i) Conversion of Preference Share Capital		
Ansh Commerce (Pvt.) Ltd.	3,40,00,000	-
Rupesh Kumar Gupta	2,00,00,000	-
Sailesh Gupta	1,70,00,000	-
Sunita Gupta	1,85,00,000	-
Total	8,95,00,000	-
(j) Issue of Equity Share Capital		
Ansh Commerce (Pvt.) Ltd.	1,98,16,650	-
Reo Solutions (Pvt.) Ltd.	1,94,440	-
Rupesh Kumar Gupta	55,55,550	-
Sailesh Gupta	47,22,220	-
Sunita Gupta	51,38,880	-
Amitabha Bhattacharya	5,00,000	-
Chirag Partani	1,00,000	-
Ashish Agarwal	50,000	-
Ansh Golas	4,25,000	-
Total	3,65,02,740	-



Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

Particulars	(Figures in ₹)	
	For the year ended 31/03/2021	For the year ended 31/03/2020
(k) Advance To Employees		
Amitabha Bhattacharya	18,00,000	-
Chirag Partani	3,60,000	-
Ansh Golas	15,30,000	-
Ashish Agarwal	1,80,000	-
Total	38,70,000	-
(l) Outstanding Unsecured Loan:		
Ansh Commerce (Pvt.) Ltd.	-	4,23,40,000
Reo Solutions (Pvt.) Ltd.	-	7,00,000
Rupesh Kumar Gupta	92,78,545	75,78,525
Sailesh Gupta	94,09,678	24,09,670
Sunita Gupta	10,28,022	10,27,990
Total	1,97,16,245	5,40,56,185
(m) Trade Receivable		
Ultra Pipes	23,91,069	-
Total	23,91,069	-
(n) Trade Payable		
Ultra Pipes	-	72,74,090
Total	-	72,74,090

34.2 The sales and purchases, services rendered to/from related parties are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash.

34.3 The Company has not recorded any impairment of receivables relating to amount owed by related parties and made the provision for bad debts.

34.4 This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

	For the year ended 31/03/2021	For the year ended 31/03/2020
34.4 Details of financial guarantee provided to/ received from related party	50,54,00,000	48,59,00,000

Note 35 Contingent liabilities not provided for in respect of:

35.1 Claims against the company not acknowledged as debts:

	For the year ended 31/03/2021	For the year ended 31/03/2020
Disputed tax demands	6,00,68,697*	5,93,13,126

The ITAT has decided the appeal in company's favour by dropping the disputed demand of ₹35,05,342 (included in the above amount) as per its order dated 05th October, 2016, pending appellate order effect as at the year end.

35.2

	For the year ended 31/03/2021	For the year ended 31/03/2020
Bank Guarantees to Pollution board and National Highway excluding financial guarantees	5,31,000	4,82,249

35.3 The Company does not expect any reimbursements in respect of the above contingent liabilities.

Notes

annexed to and forming part of the Balance Sheet as at 31 March 2021

35.4 It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (i) to (iii) above pending resolution of the legal proceedings. Further, the liability mentioned in (i) to (iii) above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote

35.5 In respect Bank Guarantees, the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends.

Note 36 Segment Reporting

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (“CODM”) evaluates the company's performance and allocates resources based on an analysis of various indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of distribution & selling of Financial products/ services to its customers, which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- (a) The company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.

(b) Revenues

Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
Domestic	2,54,13,89,285	1,60,77,69,364
Export	-	-
TOTAL	2,54,13,89,285	1,60,77,69,364

There are no revenues from external customers attributed to an individual foreign country

There are no assets in foreign countries held by the Company except the amounts due from the exports.

- (c) The company have the following major single customers / group of external customer having 10% of its revenue.

	For the year ended 31/03/2021	For the year ended 31/03/2020
Ultra pipes	62,16,73,384	31,36,70,317

Note 37 Leases:

The Company has accounted for short term lease as per paragraph 6 of Ind AS 116. The expense relating to short term lease is accounted for as Rent expenses in the statement of profit & loss.

	For the year ended 31/03/2021	For the year ended 31/03/2020
Rent expense incurred during the year	16,80,000	16,80,000

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Note 38 Financial Instruments classification by category:

(a) The carrying value and fair value of financial instruments at the end of 31 March 2021 is as under:

(Figures in ₹)							
Particulars	(Refer Note No. to the financial statements)	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comprehensive Income (OCI)	Total Carrying Value 31/03/2021	Total Fair Value
(1) ASSETS							
Non-current financial assets							
(i) Other financial assets	3	49,06,249	49,06,249	-	-	-	49,06,249
Current financial assets							
(i) Trade receivables	6	19,62,90,858	19,62,90,858				19,62,90,858
(ii) Cash and cash equivalents	7(a)	77,75,084	77,75,084				77,75,084
(iii) Bank balances other than (ii) above	7(b)	10,23,579	10,23,579				10,23,579
(iv) Other financial assets	8	5,41,895	5,41,895				5,41,895
Total financial Assets		21,05,37,665	21,05,37,665	-	-	-	21,05,37,665
(2) LIABILITIES							
Non-current financial liabilities							
(i) Borrowings	12	33,94,40,447	33,94,40,447				33,94,40,447
Current financial liabilities							
(i) Borrowings	15	31,96,16,916	31,96,16,916				31,96,16,916
(ii) Trade payables	16	4,29,93,494	4,29,93,494				4,29,93,494
(iii) Other financial liabilities	17	23,94,96,430	23,94,96,430				23,94,96,430
Total financial liabilities		94,15,47,287	94,15,47,287	-	-	-	94,15,47,287

(b) The carrying value and fair value of financial instruments at the end of 31 March 2020 is as under:

(Figures in ₹)							
Particulars	Note No.	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comprehensive Income (OCI)	Total Carrying Value 31/03/2020	Total Fair Value
(1) ASSETS							
Non-current financial assets							
(i) Other financial assets	3	46,39,300	46,39,300	-	-	-	46,39,300
Current financial assets							
(i) Trade receivables	6	22,77,60,134	22,77,60,134	-	-	-	22,77,60,134
(ii) Cash and cash equivalents	7(a)	1,66,82,204	1,66,82,204	-	-	-	1,66,82,204
(iii) Bank balances other than (ii) above	7(b)	-	-	-	-	-	-
(iv) Other financial assets	8	1,72,238	1,72,238	-	-	-	1,72,238
Total financial Assets		24,92,53,877	24,92,53,877	-	-	-	24,92,53,877
(2) LIABILITIES							
Non-current financial liabilities							
(i) Borrowings	12	27,17,15,062	27,17,15,062	-	-	-	27,17,15,062
Current financial liabilities							
(i) Borrowings	15	32,50,57,373	32,50,57,373	-	-	-	32,50,57,373
(ii) Trade payables	16	14,92,71,814	14,92,71,814	-	-	-	14,92,71,814
(iii) Other financial liabilities	17	11,11,21,051	11,11,21,051	-	-	-	11,11,21,051
Total financial liabilities		85,71,65,300	85,71,65,300	-	-	-	85,71,65,300

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annexed to and forming part of the Balance Sheet as at 31 March 2021

(b) The carrying value and fair value of financial instruments at the end of 31 March 2020 is as under:

(Figures in ₹)							
Particulars	Note No.	At cost	At amortised Cost	At fair value through Profit or Loss	At fair value through Other Comprehensive Income (OCI)	Total Carrying Value 01/04/2019	Total Fair Value
(1) ASSETS							
Non-current financial assets							
(i) Other financial assets	3	2,39,300	2,39,300	-	-	-	2,39,300
Current financial assets							
(i) Trade receivables	6	10,48,57,867	10,48,57,867	-	-	-	10,48,57,867
(ii) Cash and cash equivalents	7(a)	3,97,98,564	3,97,98,564	-	-	-	3,97,98,564
(iii) Bank balances other than (ii) above	7(b)	-	-	-	-	-	-
(iv) Other financial assets	8	15,79,406	15,79,406	-	-	-	15,79,406
Total financial Assets		14,64,75,137	14,64,75,137	-	-	-	14,64,75,137
(2) LIABILITIES							
Non-current financial liabilities							
(i) Borrowings	12	31,63,14,998	31,63,14,998	-	-	-	31,63,14,998
Current financial liabilities							
(i) Borrowings	15	18,79,30,402	18,79,30,402	-	-	-	18,79,30,402
(ii) Trade payables	16	7,70,77,718	7,70,77,718	-	-	-	7,70,77,718
(iii) Other financial liabilities	17	6,35,95,224	6,35,95,224	-	-	-	6,35,95,224
Total financial liabilities		64,49,18,342	64,49,18,342	-	-	-	64,49,18,342

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 38.2

(i) Fair Value hierarchy

Level 1 - Quoted Prices (Unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are aobservable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from price)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Note 39 Financial Instruments classification by category:

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through



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its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The gross carrying amount of trade receivables

During the period, the Company has made no write-offs of trade receivables, as it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables

(Figures in ₹)			
Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 01/04/2019
Opening balance	-	-	-
Changes in loss allowance	-	-	-
Closing balance	-	-	-

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing Arrangements

(Figures in ₹)			
Particulars	As at 31/03/2021	As at 31/03/2020	As at 01/04/2019
The company had access to the following undrawn borrowing facilities at the end of the reporting period:			
Floating rate	(RLLR + 2.80%)	(MCLR + 2.70%)	(MCLR + 2.70%)
Expiring within one year (bank overdraft and other facilities)	46,23,08,393	40,99,42,534	24,18,90,291
Expiring beyond one year (bank loans)	33,94,40,447	27,17,15,062	31,63,14,998

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

(b) Maturities of Financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

	Carrying Amounts 31/03/2021	Contractual cash flows			
			Total	Less than 1 year	1–5 years
Non-derivative financial liabilities					
Borrowings	48,21,31,924		14,26,91,477	33,94,40,447	
Short term borrowings	31,96,16,916		31,96,16,916		
Trade payables	4,29,93,494		4,29,93,494		
Other current financial liabilities	9,68,04,953		9,68,04,953		
Total non-derivative liabilities	94,15,47,287	-	60,21,06,840	33,94,40,447	-
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-
	Carrying Amounts 31/03/2020	Contractual cash flows			
			Total	Less than 1 year	1–5 years
Non-derivative financial liabilities					
Borrowings	35,66,00,224		8,48,85,161	27,17,15,062	
Short term borrowings	32,50,57,373		32,50,57,373		
Trade payables	14,92,71,814		14,92,71,814		
Other current financial liabilities	2,62,35,889		2,62,35,889		
Total non-derivative liabilities	85,71,65,300	-	58,54,50,238	27,17,15,062	-
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-



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annexed to and forming part of the Balance Sheet as at 31 March 2021

	Carrying Amounts 31/03/2021	Contractual cash flows			
		Total	Less than 1 year	1–5 years	More than 5 years
	Carrying Amounts 01/04/2019	Contractual cash flows			
		Total	Less than 1 year	1–5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	37,02,74,887		5,39,59,889	31,63,14,998	
Short term borrowings	18,79,30,402		18,79,30,402		
Trade payables	7,70,77,718		7,70,77,718		
Other current financial liabilities	96,35,335		96,35,335		
Total non-derivative liabilities	64,49,18,342	-	32,86,03,344	31,63,14,998	-
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Company does not have any currency risk as there are no foreign currency transactions entered in to by the company

Interest rate risk

The Company’s main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2021, 31 March 2020 and 31 March 2019, the Company’s borrowings at variable rate were denominated in ₹.

Currently the Company’s borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company’s interest-bearing financial instruments as reported to the management of the Company is as follows.

	(Figures in ₹)		
Particulars	Nominal Amount		
Particulars	31/03/2021	31/03/2020	01/04/2019
Fixed-rate instruments			
Financial assets	-	-	-
Financial liabilities	42,18,456	60,11,140	44,56,769
	-	-	-
Variable-rate instruments			
Financial assets	-	-	-

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	(Figures in ₹)		
Particulars	Nominal Amount		
Particulars	31/03/2021	31/03/2020	01/04/2019
Financial liabilities	74,29,94,039	56,92,72,234	43,51,03,494
		31/03/2021	
Bank loan	Interest Expense	Balance	% of total loans
	6,96,13,464	74,72,12,495	93.20%
		31/03/2020	
Bank loan	Interest Expense	Balance	% of total loans
	6,78,74,872	57,52,83,374	84.39%
		01/04/2019	
Bank loan	Interest Expense	Balance	% of total loans
	3,22,18,238	43,95,60,263	78.75%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31/03/2021	7.90%	7.90%		
Variable-rate instruments	-37,14,970	37,14,970		
Cash flow sensitivity				
31/03/2020	9.70%	9.70%		
Variable-rate instruments	-28,46,361	28,46,361		
Cash flow sensitivity				

Fair value sensitivity analysis for fixed-rate instruments

There is no foreign currency exposure

Note 40 Disclosure pursuant to Ind AS 1 “Presentation of financial statements”:

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

Sr. No.	Particulars	Note	As at 31/03/2021			As at 31/03/2020		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Inventories		80,08,00,497		80,08,00,497	59,53,49,243		59,53,49,243
2	Trade receivables		19,62,90,858		19,62,90,858	22,77,60,134		22,77,60,134
3	Other loans				-			-
4	Other financial assets		5,41,895		5,41,895	1,72,238		1,72,238
5	Other current assets		5,01,90,827		5,01,90,827	5,42,11,258		5,42,11,258

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(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Sr. No.	Particulars	Note	As at 31/03/2021			As at 31/03/2020		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Trade payables:							
	Due to micro enterprises and small enterprises		-	-	-	-	-	-
2	Due to others		4,29,93,494	-	4,29,93,494	14,92,71,814	-	14,92,71,814
3	Other financial liabilities		23,94,96,430	-	23,94,96,430	11,11,21,051	-	11,11,21,051
4	Other current liabilities		2,65,81,152	-	2,65,81,152	1,72,75,500	-	1,72,75,500
5	Provisions		18,586	-	18,586	2,11,413		2,11,413

Note 41 Value of financial assets and inventories hypothecated as collateral for liabilities and/or commitments and/or contingent liabilities:

(Figures in ₹)		
Particulars	As at 31/03/2021	As at 31/03/2020
Current:		
Inventories and trade receivables	99,70,91,355	82,31,09,377
Cash and cash equivalents	77,75,084	1,66,82,204
Loans		
Other assets	5,07,32,722	17,39,652
Total inventories and current financial assets hypothecated as collateral	1,05,55,99,161	84,15,31,234
Non-current:		
Loans	35,86,439	17,39,652
Total non-current financial assets hypothecated as collateral	35,86,439	17,39,652

Note 42 Previous year figures has been regroup reclassified so as to make comparable wherever consider necessary:

As per our report of even date annexed hereto. FOR RAKESH S JAIN & ASSOCIATES Chartered Accountants Firm Registration No: 010129S	On behalf of the Board HARIOM PIPE INDUSTRIES LIMITED
Sd/- Pankaj Chandak (Partner) Membership No: 229355 UDIN : 21229355AAAALV7367 Place: Hyderabad Dated : 28 August, 2021	Sd/- Rupesh Kumar Gupta (Managing Director) DIN 00540787
Sd/- Ram Swaroop Gajadhar Verma (Partner) Membership No: 038913 UDIN : 21038913AAAAAP7752 Place: Mumbai Dated : 28 August, 2021	Sd/- Amitabha Bhattacharya Chief Financial Officer Place: Hyderabad Dated : 28 August, 2021
Sd/- FOR R KABRA & CO LLP Chartered Accountants Firm Registration No: 104502W/W100721	Sd/- Sailesh Gupta (Whole Time Director) DIN 00540862
	Sd/- Chirag Partani Company Secretary Membership No: A51269

Notice

NOTICE

Notice is hereby given that the **14th Annual General Meeting** of the Members of **Hariom Pipe Industries Limited** will be held on Tuesday, the 14th day of Spetember, 2021, at 11.00 A.M at the Registered Office of the Company situated at 3-4-174/12/2, 1stFloor, Samarpan, Lane beside Spencer’s, Pillar No. 125, Attapur, Hyderabad- 500048,Telangana to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31 March, 2021 along with the Report of the Directors and the Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended 31 March, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- 2. To appoint Smt Sunita Gupta, who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta (DIN: 02981707), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

- 3. To Appoint Joint Statutory Auditors and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013, read with rules made thereunder, M/s R Kabra & Co LLP, Chartered Accountants (Firm Registration Number-104502W/W100721) be and is hereby re-appointed as Joint Statutory Auditor of the Company, to hold office for a period of 5 years, from the conclusion of Fourteenth (14th) Annual General Meeting till the conclusion of Nineteenth (19th) Annual General Meeting of the Company, on such remuneration and out of pocket expenses as may be agreed upon between the Board of Directors or any Committee thereof and Auditors.”

SPECIAL BUSINESS:

- 4. To ratify the remuneration of Cost Auditors for the financial year ending 31 March 2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad, appointed as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022, amounting to ₹55,000/- (Rupees Fifty Five thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.”

- 5. To Increase the Authorised Share Capital of the Company and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, contained under the Companies Act, 2013, and consent of Members of the Company be and is hereby accorded for increase of Authorized Share Capital of the Company from ₹28,00,00,000/- (Rupees Twenty eight Crores only) divided into 2,46,83,800 (Two Crore Forty Six Lakhs Eighty Three Thousand and Eight Hundred Only) equity shares of ₹10/- (Rupees Ten Only) each and 33,16,200 (Thirty Three Lakhs Sixteen Thousand and Two Hundred) 0% Series A redeemable Non Cumulative Preference Shares of ₹10/- (Rupees Ten only) each to ₹32,00,00,000/- (Rupees Thirty Two Crore only) divided into 2,86,83,800 (Two Crore Eight Six Lakhs Eighty Three Thousand and Eight Hundred Only) equity shares of ₹10/- (Rupees Ten Only) each and 33,16,200 (Thirty Three Lakhs Sixteen Thousand and Two Hundred) 0% Series A redeemable Non Cumulative Preference Shares of ₹10/- (Rupees Ten only) each by creating 40,00,000 (Forty Lakhs) Equity shares of ₹10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, contained under the Companies Act, 2013, Clause V of the Memorandum of Association of the Company be and is hereby amended and replaced by the following Clause hereunder:

Clause V.

- V. The Authorised Share Capital of the Company is ₹32,00,00,000/- (Rupees Thirty Two Crores only) divided into 2,86,83,800 (Two Crore Eight Six Lakhs Eighty Three Thousand and Eight Hundred Only) equity shares of ₹10/- (Rupees Ten Only) each and 33,16,200 (Thirty Three Lakhs Sixteen Thousand and Two Hundred) 0% Series A redeemable Non Cumulative Preference Shares of ₹10/- (Rupees Ten only) each.

- 6. Issue and Allotment of Equity Shares to the Public (Initial Public Offer) in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications or re-enactment thereof, for the time being in force) (the “Companies Act, 2013”) and the rules made thereunder, the Securities Contracts (Regulation) Act, 1956, as amended (“SCRA”), and the rules framed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), other applicable laws, rules, regulations, policies or guidelines, including the rules, regulations, guidelines, notifications and circulars, if any, prescribed by the Government of India, the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), the Registrar of Companies, at Hyderabad (“ROC”), stock exchanges or any other competent authority (collectively, the “Statutory and Regulatory Authorities”), from time to time, to the extent applicable, including provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations”) governing disclosure and obligations of stock exchanges, where the equity shares of HARIOM PIPE INDUSTRIES LIMITED (the “Company”) are proposed to be listed i.e. on the BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the listing agreements to be entered into between the Company and the Stock Exchanges and subject to approvals, consents, permissions and sanctions as might be required from the Statutory and Regulatory Authorities, lenders of the Company and other third parties, and subject to such conditions as might be prescribed by them while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”), consent of the shareholders of the Company be and is hereby granted for an initial public offering of the equity shares of the Company, by way of the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, and the Board be and is hereby authorized to create, offer, issue and allot 85,00,000 equity shares of the face value of ₹10/- (Rupees Ten only) (the “Equity Shares”) (the “Issue” or the “IPO”), out of the authorized share capital of the Company, of such number of Equity Shares or up to such amount as the Board may decide, to such person or persons, who may or may not be the members of the Company and as the Board may, at its sole discretion, decide in consultation with the Book Runner Lead Manager(s) (“BRLM”), at par or at premium, including discount for any category of investors, as permitted under applicable laws, and the decision to determine the category or categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors on such terms and conditions as may be finalized by the Board, in consultation with the BRLMs, and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit and to list the Equity Shares on the Stock Exchange as may be decided by the Board from time to time;

FURTHER RESOLVED THAT the Board may allocate certain portion of the Qualified Institutional Buyer (the “QIB”) portion of the Issue in consultation with the BRLM, to anchor investors on a discretionary basis in accordance with the SEBI ICDR Regulations and do all such other acts, deeds, matters and things as it may from time to time, in its absolute discretion decide and including without limitation, to negotiate finalize and execute any document or agreement and any amendments or supplement thereto and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the allocation to Anchor Investors.

FURTHER RESOLVED THAT the Board may allocate such percentage of the Issue to Pre-IPO Investors as may be permissible in accordance with the SEBI ICDR Regulations and do all such other acts, deeds, matters and things as it may from time to time, in its absolute discretion decide and including without limitation, to negotiate finalize and execute any document or agreement and any amendments or supplement thereto and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the allocation to Pre-IPO Investors.

FURTHER RESOLVED THAT all the new Equity Shares as aforesaid to be issued and allotted in the manner aforesaid shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu inter se in all respects with the then existing Equity Shares of the Company.

FURTHER RESOLVED THAT over subscription to the extent of 10% of the Issue be retained for the purpose of rounding off while finalizing the basis of allotment.

FURTHER RESOLVED THAT Board may determine the terms of the Issue including the class of investors to whom the securities are to be allotted, the number of securities to be allotted in each tranche, issue price, premium amount on issue, listing on the Stock Exchanges as the Board in its absolute discretion deems fit, and further, the Board may do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to IPO including but not limited to allotment and utilization of the proceeds and further to do all such acts, deeds, documents and agreements, matters and things and to appoint BRLMs, Advisor(s), if any, and such intermediaries as may be required in the process and to finalize the issue expenses including payments to intermediaries, regulators and any other entities as may be required and to decide on the structure of IPO and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit including the various agreements for IPO with various parties and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regard the terms and conditions, including the timing of IPO and to change the size of the Issue as the Board may in its absolute discretion decide, in the interest of the Company in accordance with the SEBI ICDR Regulations, without requiring any further approval of the members or in relation to raising of funds as authorised herein and that all or any of the powers conferred



on the Company and the Board vide this resolution may be exercised by the Board or such Committee thereof as the Board may constitute in this behalf.

FURTHER RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act (FEMA), 1999, the Companies Act, 2013 and all other applicable laws, rules, regulations, guidelines, such approvals, consents and permissions of the Statutory and Regulatory Authorities other authorities, institutions or bodies as may be necessary and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board, consent of the Board be and is hereby accorded for investment in the Equity Shares of the Company by Foreign Portfolio Investors (FPIs) including their sub-accounts registered with the SEBI up to the sectoral cap as may be applicable.

FURTHER RESOLVED THAT the Board be and is hereby authorized at its discretion, to further delegate by way of authorization in favour of any of the members of the Board or IPO committee thereof to do such acts, deeds and things as the Board or the IPO Committee in its absolute discretion deem necessary or desirable in connection with the issue including, without limitation, the following:

- (i) To constitute a committee for the purposes of the Issue and other matters in connection with or incidental to the Issue, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations, and to constitute such other committees of the Board, as may be required under the Applicable Laws;
- (ii) To decide and in consultation with the BRLM, on the Issue size, timing, pricing and all the terms and conditions of the Issue, including the Issue price, basis of allocation to bidders and to accept any amendments, modifications, variations or alterations thereto;
- (iii) To select a designated stock exchange;
- (iv) To extend the Bid/Issue period, revise the Price Band, in accordance with Applicable Laws;
- (v) To enter into arrangements, in accordance with Applicable Laws, with the BRLM, underwriters to the Issue, syndicate members to the Issue, the registrar to the Issue, sponsor banks, refund banks to the Issue, public issue account banks to the Issue, legal counsels to the Company, monitoring agencies and the BRLM and any other agencies or persons or intermediaries to be appointed in relation to the Issue;
- (vi) To finalise, settle, execute and deliver or arrange, the delivery of the registrar agreement, syndicate agreement, underwriting agreement, bankers' to the issue agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever in connection with the Issue with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the afore-stated documents;

- (vii) To finalise, settle, approve and adopt the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP"), the prospectus ("Prospectus"), and the preliminary and final international wrap for the Issue together with any addenda, corrigenda or supplement thereto, and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertaking/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authorities;
- (viii) To make applications, seek clarifications and obtain approvals from, if necessary, the RBI, the SEBI, the RoC or to any other statutory or governmental authorities in connection with the Issue and wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the Prospectus;
- (ix) To approve the adoption of the (a) Code of Fair Disclosure under SEBI (PIT) Regulations, 2015; (b) Familiarisation Programme for independent Directors; (c) Policy on Nomination, Remuneration and Board Diversity; (d) Vigil Mechanism and Whistle Blower Policy; (e) Corporate Social Responsibility Policy; (f) Related Party Transaction Policy; (g) Policy on Determination of Materiality of Events; (h) Materiality Policy for identification of group companies, outstanding litigations and outstanding dues to creditors in respect of the Company and (i) Policy for Preservation of Documents to be adopted by the Company as placed before the Board of Directors (or any committee thereof) and any other policies and codes as may be considered necessary by the Board or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
- (x) To authorise any person to act on behalf of the Company and give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
- (xi) To seek, if required, the consent of the third parties such as the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the Issue, if any;
- (xii) To approve any corporate governance requirements that may be considered necessary by the Board or as may be required under applicable laws, regulations or guidelines in connection with the Issue;
- (xiii) To determine and finalise the bid opening and bid closing dates, price band for the Issue, the Issue price, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLM, and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue;

- (xiv) To issue receipts / allotment letters / confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, with power to authorise one or more officers of the Company to sign all or any of the afore-stated documents;
- (xv) To make applications for listing of the Equity shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (xvi) To authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Issue and subject to and in accordance with Applicable Laws;
- (xvii) To do all such acts, deeds, matters and things and execute all such other documents, give directions etc. as it may, in its absolute discretion, deem necessary or desirable for the Issue, in consultation with the BRLM, including without limitation, finalising the basis of allocation and allotment of Equity Shares to the successful transferees and credit of Equity Shares to the demat accounts of the successful transferees in accordance with Applicable Laws, as are in the best interests of the Company;
- (xviii) To settle all questions, difficulties or doubts that may arise in regard to the Issue in its absolute discretion as it may deem fit in consultation with the BRLM;
- (xix) To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the Board may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing;
- (xx) To decide in consultation with the Company and the BRLM, the withdrawal of the DRHP or the RHP or any decision on not to proceed with the Issue at any stage in accordance with the Applicable Laws; and

To do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to

give such directions as it deems fit or as may be necessary or desirable with regard to the Issue.

FURTHER RESOLVED THAT

- i. All monies received out of the IPO shall be transferred to a separate Bank Account opened by the Company other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- ii. details of all monies utilized out of the IPO referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized;
- iii. details of all unutilized monies out of IPO, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested; and
- iv. The Company shall comply with the requirements of Regulation 32 of the SEBI LODR Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

FURTHER RESOLVED THAT any of the Director(s) of the Company and/or the Company Secretary be and is hereby authorized severally to file the required forms with the Registrar of Companies, Telangana at Hyderabad and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company.

BY ORDER OF THE BOARD
For Hariom Pipe Industries Limited

SD/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 28 August 2021



Notes:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the act”), relating to the Special Business to be transacted at the Annual General Meeting (“Meeting”) is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than Ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Attendance slip, proxy form are Annexed to the Report.
5. In terms of provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta, Director, retire by rotation at the meeting. Nomination and Remuneration Committee and the Board of Directors of the Company commend her respective re-appointment and the details of Director retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the “Annexure to the Notice.
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors. who were appointed in the Annual General Meeting held on 29 September 2017.
7. Shareholders/ Proxies/ Authorised Representative are requested to bring necessary details of their Shareholding, attendance slip(s) and copies of annual report to the annual general meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
8. The Company’s Registrars & Transfer Agents for its share registry is Bigshare Services Private Limited (“Bigshare”) having its office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

ITEM NO. 4:

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad to conduct the Audit of the Cost records of the Company at a remuneration of ₹55000/- (Fifty Five Thousand Only) for the Financial year ending 31 March 2022.

In Accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31 March 2022.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO.5:

Section 61 of the Companies Act, 2013 provides that a company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting, alter the conditions of its Memorandum of Association so as to increase its share capital by such amount as it thinks expedient by issuing new shares.

The Articles of Association empowers the Company to increase, consolidate, subdivide, reduce or otherwise alter its Authorized Share Capital, for the time being, and to divide the shares in the capital into several classes with rights, privileges or conditions, as may be determined.

For the purposes as stated hereinabove, it is recommended by the Board that the present Authorized Share Capital should be revised to ₹32,00,00,000/- (Rupees Thirty Two Crores only) divided into 2,86,83,800 (Two Crore Eight Six Lakhs Eighty Three Thousand and Eight Hundred Only) equity shares of ₹10/- (Rupees Ten Only) each and 33,16,200 (Thirty Three Lakhs Sixteen Thousand and Two Hundred) 0% Series A redeemable Non Cumulative Preference Shares of ₹10/- (Rupees Ten only) each and Clause V of the Memorandum of Association should be amended accordingly.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

ITEM NO.6:

The Company proposes to undertake an initial public offering of equity shares of face value of ₹10 each of the Company (“Equity Shares”) which shall consist solely of a fresh issue of Equity Shares (“Issue”). The Company intends to at the discretion of the board of directors of the Company, undertake the Offer and list its Equity Shares at an opportune time in consultation with the book running lead managers (“BRLM”) and other advisors and subject to applicable regulatory approvals and other approvals, to the extent necessary.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, 2013 (“Companies Act”), the approval of the shareholders of the Company is required through a special resolution.

The Company proposes to allot 85,00,000 Equity Shares in the IPO up to such amount as the Board may decide on such terms and at such price or prices and at such time as may be considered appropriate by the Board in consultation with the BRLM, to the various categories of permitted investors who may or may not be the shareholder(s) of the Company in the initial public offer by way of book building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”).

The Equity Shares, if any, allotted vide the Offer shall rank in all respects pari passu with the existing Equity Shares of the Company. The proceeds of the IPO will be utilised for the purposes that shall be disclosed in the draft red herring prospectus, red herring prospectus and the prospectus.

The Board has the authority to modify the above objects on the basis of the requirements of the Company, in accordance with applicable laws. The Equity Shares are proposed to be listed on the BSE Limited and the National Stock Exchange of India Limited (together, the “Stock Exchanges”) and the Company will be required to enter into listing agreements with each of the Stock Exchanges.

The Board of Directors of the Company (“Board”) had by its resolution dated 28 August 2021, approved the proposed initial public offering by the Company, subject to the approval by the shareholders.

None of the directors or key managerial personnel of the Company or the relatives of the aforementioned persons are interested in the said resolution.

No change in control of the Company or its management of its business is intended or expected pursuant to the Offer.

Accordingly, approval of the shareholders of the Company is sought to issue Equity Shares under Section 62(1)(c) and other applicable provisions of the Companies Act and the rules and regulations made thereunder, each, as amended.

The Board recommends the resolution set out at Item No. 6 of the accompanying Notice for your approval as special resolution.

BY ORDER OF THE BOARD
For Hariom Pipe Industries Limited

SD/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 28 August 2021

ANNEXURE TO THE NOTICE DATED 28 August 2021

DETAILS OF DIRECTORS RETIRING BY ROTATION/ SEEKING APPOINTMENT AT THE 14TH ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY:

Name of the Director	Smt Sunita Gupta
Age	65 years
Qualifications	Undergraduate
Experience	Director of the Company since 01.10.2014
Terms and conditions of appointment or reappointment	i) Non-executive Director of the Company, liable to retire by rotation.
Last drawn remuneration	Nil
Date of first appointment on the Board	Appointed as Director on 01.10.2014.
	Changed designation as Non Executive Director w.e.f 01.10.2017
No. of share held	10,75,720 (Ten Lakhs Seventy Five Thousand Seven Hundred and Twenty) Equity Shares of ₹10/- (Rupees Ten Only) each.
Relationship with Directors, Managers & KMP	Mother of Rupesh Kumar Gupta, Managing Director and Sailesh Gupta, Whole time Director of the Company.
Number of Board Meeting attended during FY 2021	10
Other Directorship	Ansh Commerce Private Limited
Chairman/ Member of the Committees of Boards of other companies.	Nil

Notes

Notes

HARIOM PIPE INDUSTRIES LIMITED

CIN: U27100TG2007PLC054564

REGISTERED OFFICE: SAMARPAN, 3-4-174/12/2, 1ST FLOOR, LANE BESIDE SPENCER'S PILLAR NO. 125,
ATTAPUR, HYDERABAD-500048, TELANGANA.

Website – www.hariompipes.com Email - accounts@hariompipes.com

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Hariom Pipe Industries Limited.

I hereby record my presence at the Annual General Meeting of the shareholders of M/s Hariom Pipe Industries Limited held on Tuesday, 14 September 2021 at 11:00 A.M. at Samarpan, 3-4-174/12/2, 1st Floor, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad-500048, Telangana

Reg. Folio No.	DP ID*
No. of Shares	Client ID*

*Applicable if the shares held in electronic form

Name & Address of Member

Signature of Shareholder/Proxy/Representative
(Please Specify)



HARIOM PIPE INDUSTRIES LIMITED
CIN: U27100TG2007PLC054564
REGISTERED OFFICE: SAMARPAN, 3-4-174/12/2, 1ST FLOOR,
LANE BESIDE SPENCER'S PILLAR NO. 125, ATTAPUR, HYDERABAD-500048, TELANGANA.
Website – www.hariompipes.com Email - accounts@hariompipes.com

Form No. MGT-11

PROXY FORM

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

CIN CINC	U27100TG2007PLC054564
Name of the company	HARIOM PIPE INDUSTRIES LIMITED
Registered office	SAMARPAN, 3-4-174/12/2, 1ST FLOOR, LANE BESIDE SPENCER'S PILLAR NO. 125, ATTAPUR, HYDERABAD-500048, TELANGANA
Name of the member(s)	
Registered Address	
Email Id	
Folio No / Client ID	

I /We, being the member(s) of _____ shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
2.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Tuesday, 14 September 2021 at 11.00 A.M. at Samarpan, 3-4-174/12/2, 1st Floor, lane beside Spencer's Pillar No. 125, Attapur, Hyderabad-500048, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31 March 2021 along with the Report of the Directors and the Auditors thereon.		
2.	To appoint Smt Sunita Gupta, who retires by rotation as a Director.		
3.	To Appoint Joint Statutory Auditors of the Company.		
4.	To ratify the remuneration of Cost Auditors for the financial year ending March 31 2022.		
5.	To Increase the Authorised Share Capital of the Company.		
6.	To Issue and Allotment of Equity Shares to the Public (Initial Public Offer).		

Signed this day of 2021.

Signature of shareholder: _____ Signature of Proxy holder(s): _____

Affix Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP OF VENUE OF AGM



Corporate Information

Board of Directors

- Pramod Kumar Kapoor**
Chairman and Independent Director
- Rupesh Kumar Gupta**
Managing Director
- Sailesh Gupta**
Whole-Time Director
- Sunita Gupta**
Non-Executive Director
- Shanti Sree Bolleni**
Independent Director
- Rajender Reddy Gankidi**
Independent Director

Registered Office

Hariom Pipe Industries Limited
SAMARPAN, 3-4-174/12/2
1st Floor, Lane beside Spencer's,
Pillar No.125, Attapur, Hyderabad,
Telangana - 500 048, INDIA.
Phone: +91 040-24016101
website: www.hariompipes.com
Info: info@hariompipes.com
Corporate Identity Number
U27100TG2007PTC054564

Company Secretary

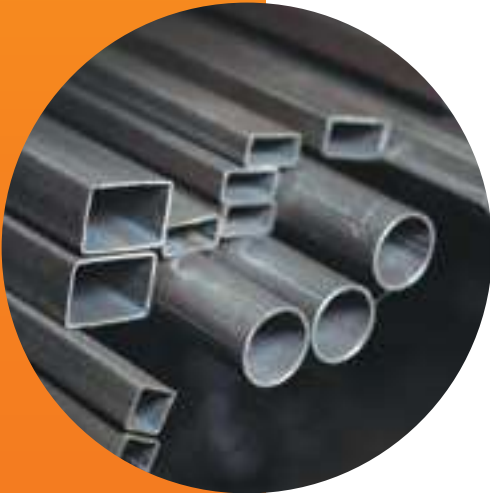
Chirag Partani
Company Secretary and
Compliance Officer

Registrar and Share Transfer Agents (RTA)

Bigshare Services Private Limited
Flat 306, Right Wing 3rd Floor,
Opp Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
Hyderabad- 500 082, Telangana.
Corporate Identity Number
U99999MH1994PTC076534

Bankers

Canara Bank
MID Corporate Branch,
5-9-22/1/4C & 4D, 1st Floor,
Damayanthi Chambers,
Opposite to New MLA Quarters,
Hyderabad
Phone: 040-23436954
email id: cb4926@canarabank.com



HARIOM PIPE INDUSTRIES LIMITED

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