



**HI-TECH**  
PIPES LIMITED

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**ANNUAL REPORT**  
**2016-17**

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# STEELING GROWTH



**HI-TECH PIPES LIMITED**

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**Caution regarding Forward Looking Statements**

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# STEELING GROWTH

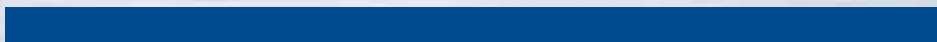
Another year has gone by and we have raced through this one emerging more robust than before with a **steel strong growth**. It is indeed a pleasure to put forth the performance of the Company for the financial year ending 31 March 2017, a year in which the Group's mettle was tested by a challenging macro environment. At Hi-Tech Pipes, we have always believed that actions speak louder than words; a thought we relentlessly pursue to be synonymous with performance.

It has been more than 30 years since our inception in 1985. This journey of three decades was exhilarating as we withstood all the cyclical trends in the macro environment of our industry. They served as a learning experience to strengthen our foundation. The four cornerstones of our foundation are the core values, vast experience, industrial expertise and our zeal to outperform ourselves. These cornerstones create a **steel solid foundation** which helps us deliver **steel solid results**, every single year.

We enjoyed a momentous run when India was passing through the golden era of its economic growth during FY06 – FY08, achieving an annual growth of 9.3% – 9.6%. With the global economic pressures impacting the Indian economy during FY12 – FY16, the Group demonstrated strong resilience to achieve a focussed and strategic growth. Our intense performance found its mark when India took major policy and structural reform decisions in FY17.

FY17 saw us successfully withstand the challenges presented, posting a revenue growth of 26.5%, EBITDA growth of 24.9% and PAT growth of 59.2%. Between FY16 and FY17, we increased our installed capacities from 2,40,000 MTPA to 3,00,000 MTPA. With a clear strategic roadmap in place, Hi-Tech Pipes is all set to deliver a consistent performance in the years to come as well. We got listed on NSE (SME) Index during FY16, a proud accomplishment which makes our growth story public, strengthens our corporate governance and opens up future expansion possibilities.

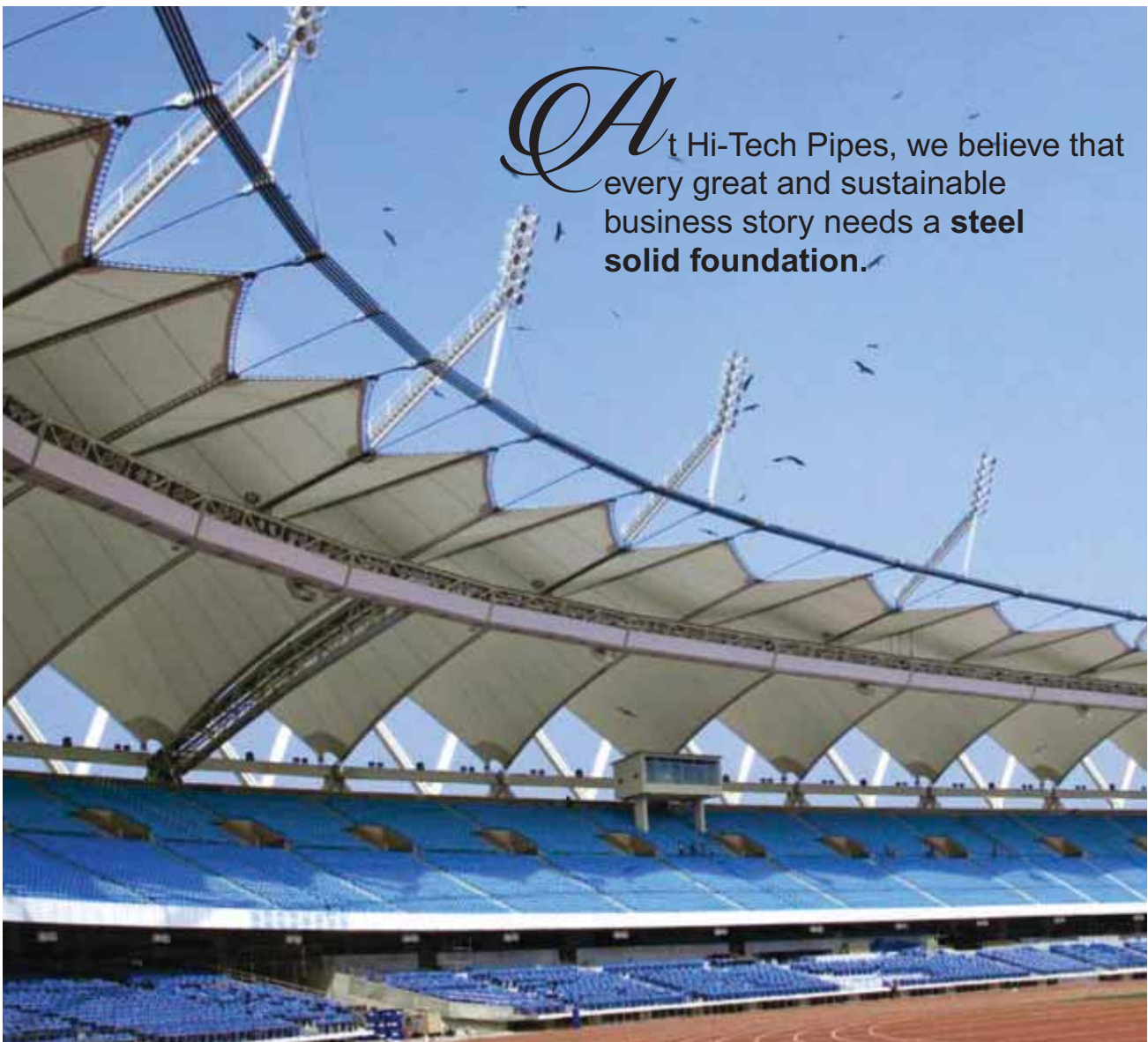
Our core values have given us a **foundation as strong as steel**, helping us to attain a **steel solid growth** today and a **steel sustainable tomorrow**.





## SOLID FOUNDATION

At Hi-Tech Pipes, we believe that every great and sustainable business story needs a **steel solid foundation**. And, our belief is reflected in the way we have survived, sustained and performed for over three decades in an industry which is directly correlated to the macro-economic environment. We have worked immensely on our strengths that add today to our steel solid foundation. We are here to stay, sustain and lead.



*A*t Hi-Tech Pipes, we believe that every great and sustainable business story needs a **steel solid foundation**.



Our clear vision since our inception was to attain a cutting edge in the market we operate in. This long-term vision has successfully brought us to a juncture where we are serving our industry with three major product categories – Flat Steel, Tubular Steel and Engineering Steel. Our performance is upheld primarily due to the diversification, giving us multiple revenue sources which in turn enables us to mitigate our risks and hedge against the relative segment specific volatilities. This strategy has also provided us with a much wider customer base and broad revenue expansion.

We consistently invest in establishing a manufacturing infrastructure that encompasses quality, quantity, diversity and scalability. Today, Hi-Tech Pipes has its manufacturing presence across Northern, Western and Southern parts of India. We have four state-of-the-art plants; two of which are based in Uttar Pradesh, one in Sanand, Gujarat and the latest one has been commissioned in Hindupur, A.P. Building gradually on our capacities, we have reached a total installed capacity of 3,00,000 MTPA, wherein tubular steel contributes 67%, flat steel contributes 25%, and engineering steel contributes 8%.

We have the product, the quality, the promising proposition for our customers and the vehicle to penetrate further and faster across the right customer base through a Pan-India strong network of 300+ distributors. We have built a solid foundation for sustainable business growth and believe that this is the only way forward to remain relevant today as well as tomorrow.

**The forte of our steel solid foundation can well be gauged by following numbers:**

Installed Capacity  
From **2,40,000 MTPA** in FY16  
to **3,00,000 MTPA** in FY17

Wide Product Range  
**Flat, Tubular and Engineering  
Steel**

Marketing Network  
**300+ Distributors**  
Pan-India

Manufacturing Plants  
**01 in 1988 to 04 in FY17**

## STEEL SOLID RESULTS

A good performance is a bare minimum necessity for a successful organization and the numbers speak volumes. When it comes to numbers, we mean business and our financial & operational performances remain our prime drivers. They reflect our capabilities to maintain tenacity in markets characterised by responding decisively to the circumstances. Our strengths and capabilities help us deliver steel solid results, consistently.

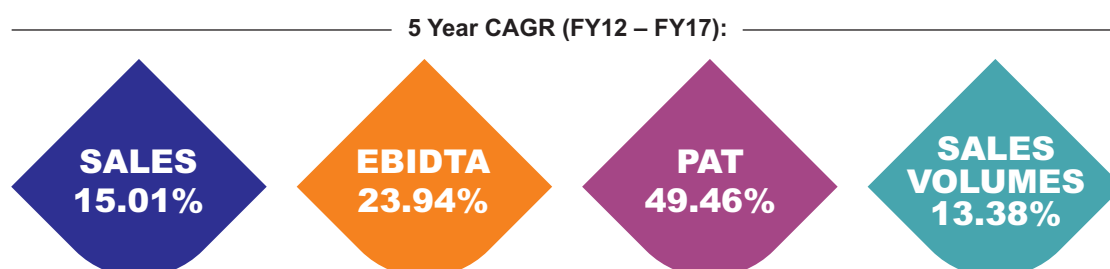




We started our manufacturing journey in 1988 with our first plant in Sikandrabad, Uttar Pradesh. Since then we have come a long way in terms of our operational capabilities and performance. We have taken our plants' cumulative capacity utilization to 1,60,889 MTPA, which is 53.63% of the total installed capacity of 3,00,000 MTPA as on March 31, 2017. Our focus on quality and cost optimization has helped us through the years. Our operational expenses have been steadily monitored and controlled for thorough optimization. Hi-Tech Pipes is an ISO 9001:2008 certified company.

As numbers speak volumes, we understand that they are essential for a progressive organization. With the help of our seasoned top management, accomplished board of directors and a highly talented and dedicated team, we are scaling new heights in financial performance. FY17 was an year of transformation for our economy and majority of the industry sectors. We recorded an impressive 26.5% growth in our revenues and posted a steel solid growth of 59.2% in our profit after tax.

Hi-Tech Pipes' **steely performance story** can well be ascertained with following numbers:



The gradual increase in capacity, optimized utilization of resources and an impeccable sale track record, all work in synergy for us. We have been setting higher benchmarks for ourselves, achieving them consistently and raising the bar for coming years. We believe that a solid performance is true complement for a solid foundation and insightful strategies.

**We believe that a solid performance is true compliment for  
a solid foundation and insightful strategies.**





## STEELING SUSTAINABLE TOMORROW

The solid foundation and solid performance at Hi-Tech are all by design, not by chance. They are the precursors to a steel sustainable tomorrow. Our position in the market today is a summation of our vision, the strategies employed by us over the years and an immaculate execution of those strategies. Our insightful strategies and intense execution fueled our planned capacity enhancement, a steady expansion of marketing network and resulted in gradual diversification of products.



*The* solid foundation and solid performance at Hi-Tech are all by design, not by chance. They are the precursors to a steel sustainable tomorrow.

We have our manufacturing presence across three regions of the country and it gives us the strategic edge of placing our products as per market needs with the lowest possible logistic cost. All our plants are located in the industrial or manufacturing hubs to provide impetus to this strategic edge. The steadily increasing installed capacities (3,00,000 MTPA) and their effective utilization too, are important accomplishments among others.

We are today present across three major finished steel product categories – Flat Steel, Tubular Steel and Engineering Steel Products & Solutions. This diversification has helped us have a much wider presence across end product usage segments, which are spread across highways, refineries, metro stations, bridges, dams, power projects, telecom, airports and high-rise buildings. This customer segment diversification hedges us against segment-specific volatilities and at the same time provides multiple revenue generators.

In today's age, the customer is king and we are committed to keep our customers satisfied. Our strategic approach to customer acquisition and customer satisfaction is one of our strongest achievements. Our customer centric approach helps us to reach our customers by employing all possible routes. Any challenges encountered are met with new solutions and a new way to reach them. We aim at giving the best products to our customers and ensure that we provide them the end-to-end service as well. We are committed to total customer satisfaction by identifying their specific needs and translating them into quality products. This commitment is the corner stone of our policy which has been specifically designed to ascertain a steel sustainable tomorrow. Today, our association with some iconic projects as our key clients does not come as a surprise. Some of these marquee projects include **Crash-barriers – Yamuna Expressway; Grandstand Roofing Structure – Buddh International Circuit; Module Mounting Structures – Gujarat Solar Park; Towers – Suzlon Wind Farms; and the Toll Plaza –Bandra-Worli Sea Link;** among others.



## OUR STRATEGIC ROADMAP

Over the short-to-medium term we will seek to increase the diversity of our earnings profile whilst maintaining focus on our key competencies. We believe that growing today is the key to success and planning the same growth for tomorrow is an achievement which can help an organization sustain profitably.

Our achievements and future strategies are as follows:

### FY2016-2017

#### RECENTLY COMMENCED GREEN FIELD PROJECT AT HINDUPUR (A.P.) TO CATER TO THE SOUTH INDIA MARKET

- Initial Installed Capacity of 60,000 MTs
- Strategic location – Market within 600 km radius

#### EXPANDING MANUFACTURING FACILITIES IN SANAND (GUJARAT)

### FY2017-2018

#### ENTERING NEW HIGH-QUALITY PRODUCTS

- Manufacturing of high quality precision tubes at Sanand and Hindupur facilities
- Up-gradation of Cold Rolling Mill by using latest technology
- Commissioning of Hot Dip Galvanized facility at Hindupur

#### SOLAR MOUNTING STRUCTURES

- Setting up solar mounting capacities at Hindupur Plant
- Strategic location advantage - major solar projects in Andhra Pradesh & Karnataka

#### ENHANCE CAPACITIES

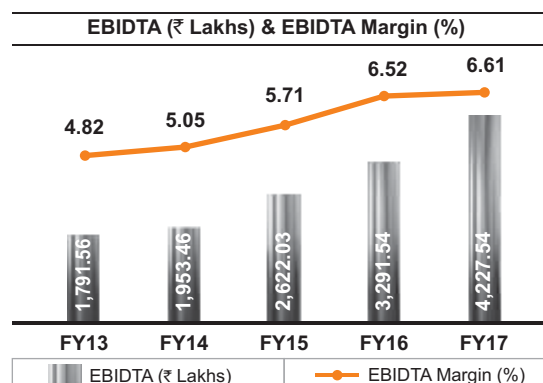
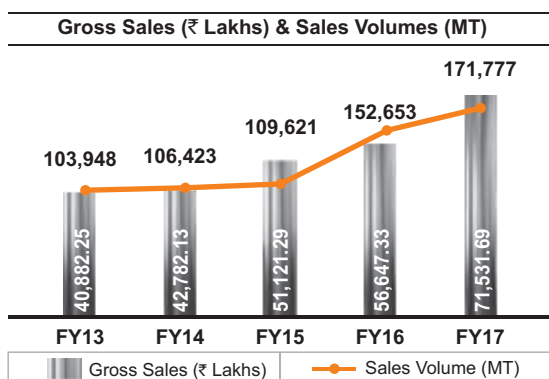
- Further enhancement of capacities at Sanand and Bangalore
- Economies of scale due to better margins and increased capacity utilization

### FY2018-2019

- Average Capacity utilization upto 80%
- Continuous focus on margin improvement
- Entering into new markets through adding new plant
- Creating an export oriented facility - Port advantage

### VISION 2020

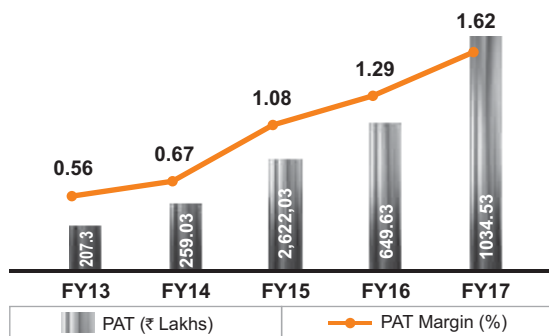
- Installed capacity 5,00,000 MTPA
- Being a globally reputed Steel Processing Company
- Recognition for being the best technology and high quality specialized products
- Pan India Presence
- Diversified Product Portfolio
- Become a market leader



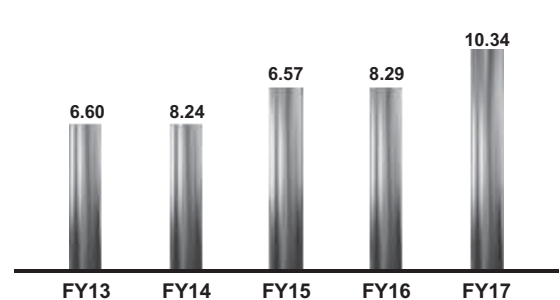
## OUR FINANCIAL PERFORMANCE

Particulars	UNIT	FY13	FY14	FY15	FY16	FY17
Gross Sales	(₹ Lakh)	40,882.25	42,782.13	51,121.29	56,647.33	71,531.69
Gross Block	(₹ Lakh)	5,649.63	6,443.41	8,317.50	9,949.94	9,949.94
EBIDTA	(₹ Lakh)	1,791.56	1,953.46	2,622.03	3,291.54	4,227.54
PAT	(₹ Lakh)	207.34	259.03	497.67	649.63	1,034.53
Sales Volume	(MT)	103,948	106,423	109,621	152,653	171,777
<b>Ratios</b>	<b>(%)</b>					
EBIDTA %	(%)	4.82	5.05	5.71	6.52	6.61
PBT%	(%)	0.85	1.04	1.64	1.99	2.32
PAT%	(%)	0.56	0.67	1.08	1.29	1.62
ROI/ROCE	(%)	12.77	11.95	14.67	15.11	15.76
ROE	(%)	6.81	7.12	10.49	9.80	13.52
Sales Value Growth	(%)	6.01	4.12	18.70	9.90	26.72
Sales Volume Growth	(Times)	6.47	2.38	3.00	39.26	12.53
DEBT/EBIDTA	Nos.	5.24	5.70	4.21	4.41	4.23
Distributors	Nos.	150	180	210	250	300
No. of Plants	Nos.	2	2	2	3	4
No. of Depots/Warehouses	Nos.	2	2	4	4	6
No. of Employees	Nos.	280	320	390	450	540

PAT (₹ Lakhs) &amp; PAT Margin (%)



EPS (₹)





# HI-TECH PIPES LTD – IN FACTS & NUMBERS

Hi-Tech Pipes Limited is one of India's leading producers and suppliers of finished steel or secondary steel products. Established in 1985, the Company has come a long way today with 3,00,000 MTPA installed manufacturing capacities. The Company's products include steel pipes, hollow sections, steel tubes, cold rolled coils & strips and other galvanized products. The Company has a strong Pan-India marketing & distribution network. With strong lineage of more than three decades, the Company is all set to contribute to the infrastructure needs of the nation.

## PRODUCTS MANUFACTURED:

Product Segment	Product Range	Product End-Usage
<b>TUBULAR STEEL</b>		
	Steel Tubes & Pipes	Water Gas & Air Pipeline, Automobiles, Power & Industrial Boilers, Transformers, Superheaters, Economisers, Heat Exchangers, Railway, Electrification and Furniture Applications etc.
	Hollow Sections	Casing, Columns & Fence, Handrails, Load Bearing Structure, Piling, Posts, Poles, Railings, Scaffolding, Skywalks, Towers etc.
	Pre-Galvanized Tubes	HVAC, Cladding, Roofing, Building Accessory, Partition, False Ceilings, Household Appliances (Washing Machine/ A.C etc.), Railway Carriages, Road Signs, Containers, Furniture etc.
	Hot dipped GI pipes	Agriculture, Plumbing, Green Houses, Irrigation, Hand Pumps, Bore, Tubewells
<b>FLAT STEEL</b>		
	CR Sheets & Strips	Stampings, Auto & Auto Ancillaries, Transmission Chain, Bicycle Parts, Fine Blanking, Bearings
	Galvanized Coils	Construction, Agriculture, Automobile, Domestic & Outdoor Electric Appliance, Furniture & Fixtures Industry
	Cold Formed Sections	Automobile Industry, Civil Construction, Solar Mounting Structures, Strut Support Systems, Storage Systems, Furniture & Office Equipment
<b>ENGINEERING PRODUCTS</b>		
	Metal Crash Barriers	Highways, Expressways, Flyovers, Mines, Motor Racing, Test Drive Tracks, Multi-storey parking lots, Plants handling hazardous chemicals
	Solar Structures	Ground mounted solar power plants, Rooftop solar, Street lighting, Solar water pumps, Solar street lighting

**NUMBERS THAT DEFINE HI-TECH PIPES:**

4 Manufacturing  
Plants -  
**Sikandrabad,  
Sanand  
Hindupur**

Total  
Installed  
Capacity -  
**3,00,000  
MTPA**

**300+**  
Dealers &  
Distributors  
across India

Product Category-  
**Flat Steel  
Tubular Steel  
Engineering  
Steel**

No. of  
Employees -  
**540\***

**32 Years**  
since  
inception  
in **1985**

Listed on -  
**NSE -  
Emerge**

Turnover -  
**₹637 Crores**  
(FY 2016-17)

Profit  
After Tax -  
**₹10.3 Crores**  
(FY 2016-17)

\*Includes the employees of HTL Metal Pvt. Ltd. (Wholly owned subsidiary)



## OUR JOURNEY THROUGH THE YEARS

Started manufacturing  
MS pipes at Sikandrabad-  
Unit 1

**1988** ►

**1996** ►

Started manufacturing  
Cold Rolled coils  
& strips

Installation of continuous  
galvanising line

**2001** ▼

**2010** ▼

Started production of  
Hollow sections and  
Solar Mounting  
sections

Started production of  
Highway Crash  
Barriers

◀ **2008**

◀ **2005**

Installation of Hot Dipped  
Galvanised Facility

Unit 2 at Sikandrabad to  
manufacture steel tubes  
& hollow section

**2012** ►

**2015** ►

Started commercial  
production of Steel tubes  
& hollow section  
at State of the Art  
Sanand (Gujarat)  
facility

Listing on NSE-Emerge  
Platform

Commenced Operations  
at Hindupur, Bangalore

**2016**

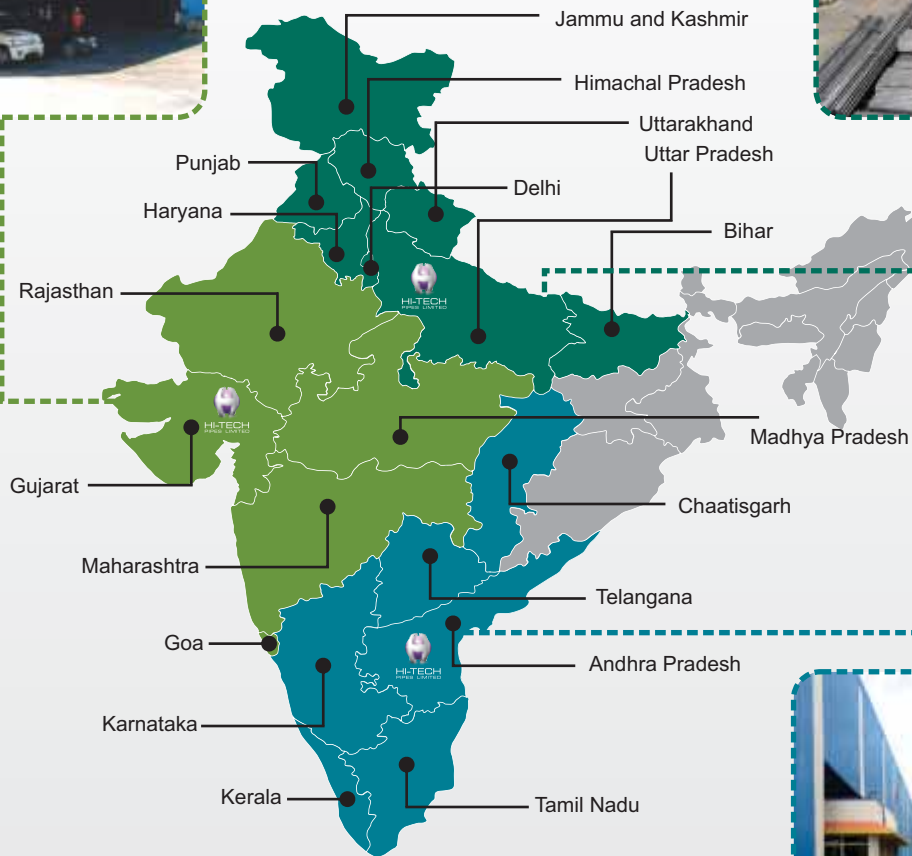


# HI-TECH PIPES MANUFACTURING PRESENCE & MARKET REACH

**SANAND, GUJARAT**  
Capacity: 60,000 MTPA



**SIKANDRABAD, UTTAR PRADESH**  
Capacity: 1,80,000 MTPA



**HINDUPUR, ANDHRA PRADESH**  
Capacity: 60,000 MTPA



## FROM THE DESK OF **AJAY KUMAR BANSAL** CHAIRMAN & MANAGING DIRECTOR

### *Dear Shareholders*

It is my pleasure to address you all, again, this year to present your Company's Annual Report for Financial Year 2016-17 and the performance milestones. It is satisfying to report that we have achieved a decent performance at a time when macro environment has been going through transformation which presented with challenges and opportunities alike. At Hi-Tech Pipes, our relentless pursuit to lay a robust foundation for a promising tomorrow has helped us achieve this deed. The pillars of our strong foundation included judicious product mix; technological advancements; geographic expansion; optimally scalable operations; and strong customer relationship.

During the year under review, global economic growth remained subdued amidst political uncertainty, like the UK referendum on Brexit and the US Presidential elections. There is a perceived rise in tendency towards protectionism and economic nationalism globally, fuelled by populist political orientation. However, there were certain signs of improvement in the private sector, firmer domestic demand growth in Asia and Europe; rising industrial production and recovering employment and trade flows in many countries.

For the Indian economy, the year gone by was an year of transformational policy and structural changes for a better tomorrow including demonetization and passage of GST bill being two major such initiatives. The acceleration of structural reforms, development of rural economy and lower commodity prices contributed to country's growth. India's macroeconomic fundamentals continued to improve last year on the back of a stable monetary policy which has been very well complemented by the significant policy initiatives.

The production numbers of the major steel producing countries remained subdued, however in India, the imposition of Minimum Import Price (MIP) and preference to indigenous steel products by government, encouraged domestic production and strengthened steel prices. In the backdrop of Central government's push to boost infrastructure sector, the demand for steel from the user industries like construction, real estate is likely to improve in years to come. Additionally, "National Steel Policy 2017" will ensure high quality steel production and create a technologically advanced and globally competitive steel industry. For the period 2017-2021, galvanized steel tubes market is expected to grow at a CAGR of 6.13% as per an industry report. This is backed by increasing consumption trend in Oil & Gas and Process industries as well. The rate at which the number of construction and residential projects are growing will further drive the growth of the galvanized steel tubes market.

**Hi-Tech Pipes continued to lead the market in Crash Barrier product segment and it further strengthened its presence in the promising Solar Structures segment. We are committed to find ways and means to mark our presence in all potential markets and reach new customers with world-class products.**

Your Company delivered yet another year of strong operational & financial performance in FY17. During the year, our Profit After Tax recorded an impressive growth of 58.5% to reach ₹10.3 Crores. Our turnover for the year reached ₹637.4 Crores, registering a growth of 26.5% on account of increased capacities and improved capacity utilization. The Tubular Steel segment contributed 67% to the total revenue, registering 41.3% growth over the last year. During the year under review, our total installed capacities were increased to 3,00,000 MTPA from 2,40,000 MTPA in FY16. We were able to mark our manufacturing presence in South India as well with commissioning of Hindupur plant. Our capacity utilization stood at a 53.63% translating into 1,60,889 MT in FY17 as against 48.96% or 1,17,504 MT in FY16. We are continuously working towards optimizing our cost of production and are confident of reducing it further. It is our relentless endeavor to improve productivity through well-defined internal plans.

Hi-Tech Pipes continued to lead the market in Crash Barrier product segment and it further strengthened its presence in the promising Solar Structures segment. We are committed to find ways and means to mark our presence in all potential markets and reach new customers with world-class products. With absolute focus on high quality, high margin products, we aspire to become a globally reputed player in steel tube products. Going forward, we are anticipating good growth across segments.

I would like to thank our wonderful team for their sincere efforts, consistently, to help us achieve the earmarked growth targets. We believe that our team is the driving force behind our success story and our pursuit of excellence across functions and departments. We have been investing in our human capital to inculcate and improve leadership qualities for individual as well as organizational growth.

I express my gratitude to all the stakeholders for their continued trust in our long-term growth story. I look forward to your continuous support to scale newer heights of success in future as well.

With best regards,

**Ajay Kumar Bansal**



## BOARD OF DIRECTORS



**Mr. Ajay Kumar Bansal** (DIN: 01070123)

**Chairman & Managing Director**

Mr. Ajay Kumar Bansal is the Chairman & Managing Director of the Company. Mr. Bansal has more than 3 decade of experience in manufacturing of Steel Tubes and Pipes. Mr. Bansal looks after the operations of the Company along with the team of senior and middle level management personnel. As a promoter director, he guides the Company on all aspects of the operations including expansion projects. Mr. Bansal's visionary leadership has been instrumental in the Company's multi-fold growth and its transformation from one plant in 1988 to four plants in FY17. He comes from a business family having rich experience of more than 40 years in trading and manufacturing of steel pipes. He has been nominated as Chairman of Tubes Panel of the Federation of Industries of India.

**Mr. Anish Bansal** (DIN:00670250)

**Executive Director & Chief Financial Officer (CFO)**

Mr. Anish Bansal is Executive Director & CFO of the Company. Mr. Anish Bansal has done B. Sc - Economics in Banking and Finance from the Cardiff University, U.K in 2005. He has rich experience of more than 10 years in corporate finance, strategy, marketing, product development, projects implementation, international trade and finance besides certain other corporate matters. He is responsible for the Finance function of the Company and works closely in expansion plans with the Chairman & Managing Director.



**Ms. Neelima Jain** (DIN:03637384)

**Non-Executive & Independent Director**

Ms. Neelima Jain is the Non-Executive & Independent director of the Company. She is a Commerce Graduate with B.Com degree from the Delhi University. She is has more than 10 years' experience as sub-broker in capital markets. Ms. Jain carries significant experience in capital markets, regulatory affairs management, administration and investor relations.

**Ms. Tanvi Kumar** (DIN: 06413301)

**Non-Executive & Independent Director**

Ms. Tanvi Kumar is the Non-Executive & Independent Director of the Company. Ms. Tanvi Kumar is Law Graduate, she completed her BA LLB degree in year 2009 from the ILS Law College – Pune, Maharashtra. She is a member of the Bar Council of India and has rich experience in corporate litigation matters and has also attended the mock session of UN Assembly. She is Senior Associate in Khaitan & Company.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Ajay Kumar Bansal  
**Chairman & Managing Director**

Mr. Anish Bansal  
**Director & CFO**

Ms. Neelima Jain  
**Non-Executive Independent Director**

Ms. Tanvi Kumar  
**Non-Executive Independent Director**

**COMPANY SECRETARY**  
Mr. Arun Kumar

**AUDITORS**  
M/s N C Aggarwal & Co.  
Chartered Accountant

**BANKERS**  
Axis Bank  
Canara Bank  
HDFC Bank  
Kotak Mahindra Bank  
State Bank of India

**REGISTERED OFFICE**  
505, Pearls Omaxe Tower,  
Netaji Subhash Place, Pitampura,  
New Delhi-110034  
Tel. No. +91 11 48440050  
Fax No. +91 11 48440055  
Website: [www.hitechpipes.in](http://www.hitechpipes.in)  
CIN:L27202DL1985PLC019750

## Works

**HI-TECH PIPES LTD.**  
**Sikandrabad**  
Plot No. 10, UPSIDC  
Sikandrabad, Bulandshahar  
Uttar Pradesh-203 205

Plot No. 16, UPSIDC  
Sikandrabad, Bulandshahar  
Uttar Pradesh-203 205

**Ahmedabad**  
Plot No. E-6, GIDC  
BOL-II, Sanand, Ahmedabad  
Gujarat-382 170

**HTL METAL PVT. LTD.**  
**Hindupur**  
41-B, Gollapuram  
Hindupur  
Andhra Pradesh-515 211

**Registrar & Share Transfer Agents**  
Big Share Services Pvt. Ltd.  
4 E/8, First Floor,  
Jhandewalan Extension,  
New Delhi-110055  
Tel. No. +91 11 23522373  
Fax No. +91 11 23522373  
E-mail: [bssdelhi@bigshareonline.com](mailto:bssdelhi@bigshareonline.com)

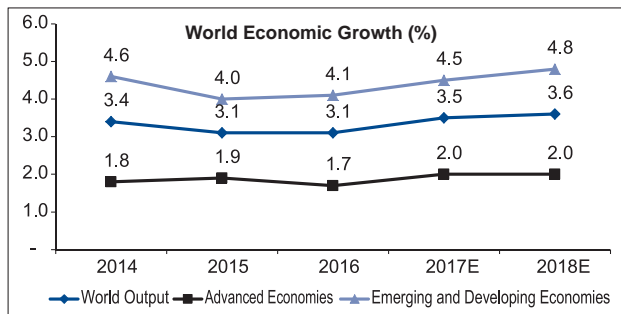
**Our Warehouses-Cum-Depots**  
- Delhi  
- Ghaziabad  
- Ahmedabad  
- Jaipur  
- Chennai  
- Indore

## MANAGEMENT DISCUSSION AND ANALYSIS

Global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing, and trade. Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth after five quarters of a drag. Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit).

World growth is projected to increase to 3.5% in CY 2017 and 3.6% in CY 2018. Economic activity in advanced economies is forecasted to grow by 2% in CY 2017 and at the same rate in CY 2018. The stronger outlook in advanced economies reflects a projected cyclical recovery in global manufacturing.

Economic performance across emerging market and developing economies has remained mixed. China's growth remained strong, reflecting continued policy support, whereas, India witnessed a slowdown in activities owing to the impact of the currency exchange initiative. Emerging market and developing economies is forecast to grow by about 4.5% and 4.8%, respectively, in 2017 and 2018. This reflects a stabilisation or recovery in a number of commodity exporters, some of which underwent painful adjustments following the drop in commodity prices, and strengthening growth in India, partially offset by a gradual slowdown of the Chinese economy.



(Source: IMF, World economic outlook Report dated April 2017)

### INDIAN ECONOMY:

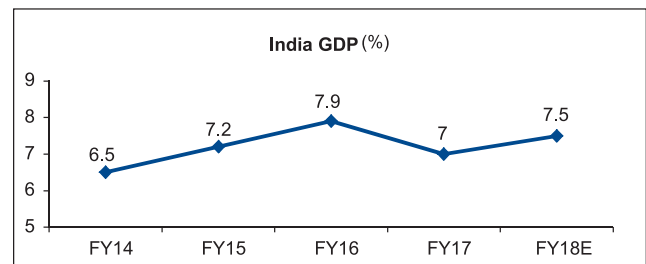
According to the CSO (Central Statistical Organization) estimates, the Indian economy have grown at 7.1% in FY17, by passing the risk of slowdown due to demonetization. However, this growth rate would still be lower compared with the impressive 7.9% growth recorded in FY16. The GDP growth of FY17 is supported by the agricultural sector growth of 4.4% as compared to 0.8% growth recorded in FY16, subdued growth recorded for industry of 5.8% as compared to 8.2% in FY16 and service sector growth of 7.9% as compared to 9.8% recorded in FY16.

In the FY17, the Gross Fixed Capital Formation (GFCF) recorded a decline to 26.9% of GDP as against 29.2% of GDP recorded in FY16. Lower private sector spending led to low capacity utilisation which in turn hampered the overall investment in the economy. Also private sector investment

in infra has not yet picked up.

Inflation displayed a mixed picture in FY17. While CPI inflation moderated during the course of the year, from 5.4% in April 2016 to 3.8% in March 2017, aided by lower food prices, the WPI inflation increased continuously during the year from 0.8% in April 2016 to end the year at 5.7% in March 2017 with an increase in fuel and manufactured goods prices. In FY18, there is an upside risk to the inflation due to a possible increase in global crude oil prices and firming up of commodities. Back home, any disturbance in spread of monsoon, impact of the 7th Pay Commission allowances and GST implementation could exert an upward pressure on the prices.

The Indian economy is expected to embark on a higher economic growth trajectory in FY18 owing to many proactive measures taken by the government, complimented by favourable economic conditions expected to prevail during the course of the year. The economy is expected to grow at 7.5% in FY18 on the back of increased agricultural production, owing to prediction of near normal monsoons this fiscal, increased government spending in infrastructure, expected surge in consumer spending with pent up demand being satiated and implementation of the Goods and Services Tax (GST). (Source: CARE report dated May 8, 2017).



Source: Central Statistical Office (CSO)

### STEEL INDUSTRY OVERVIEW:

In the first nine months of financial year 2016-17, production of the top five steel producing countries (excluding India) remained subdued. Crude steel production in China, Japan and Russia grew by mere 0.5% to 3%, in USA it remained flat and in Korea Republic (South) it declined by 1.3%. In contrast, crude steel production in India rose by 8.8% to 72.35 million tonnes during this period. This was on account of higher production by the major Indian steel companies. The imposition of Minimum Import Price (MIP) encouraged the producers to increase their production. The Indian government in May 2016 also approved a policy providing preference to domestic iron and steel products in government procurement which also aided to the industry growth.

In India, consumption of steel grew by 3.2% to 73.75 million tonnes during April-December 2016. Post demonetization, steel consumption is expected to remain under pressure for few months to a certain extent. This is because it is likely that the demand for steel from the user industries like construction, real estate will take some time to strengthen. However, government push towards infrastructure will

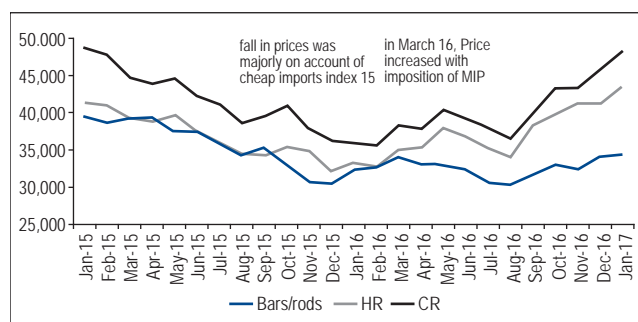


compensate for this reduction in demand.

In the coming financial year 2017-18, steel production is expected to remain higher. This will be backed by an expected revival in consumption. An increase in infrastructure allocation by the government in the Union Budget 2017-18 is expected to drive the pace of construction and infrastructure in the country. Apart from this, the National Steel Policy 2017 released by the government also aims to increase steel production. Thus, both production and consumption of steel is expected to remain buoyant in 2017-18. World Steel Association has projected Indian steel demand to grow by 6.1% in 2017 and by 7.1% in 2018; while global steel demand has been projected to grow by 1.3% in 2017 and by 0.9% in 2018. (Source: Care report Dated Feb 17, 2017).

### STEEL PRICES:

In the past few years, Steel prices in India remained volatile due to various factors like the prices of imported steel, domestic demand and supply to name a few. The prices of steel products steeply declined from January 2015 to December 2015. In the year 2016, with the imposition of Minimum Import Price (MIP) to restrict cheap imports, the steel prices started moving upwards. The prices of steel products started increasing from January 2016 and it kept increasing till November 2016. Thereafter, the steel prices softened for short term due to demonetisation. Going forward, the steel prices are expected to rise marginally or remain stable on the back of increase in domestic steel consumption and protectionist measures by the government.



(Source: NSP 2017)

### MAJOR INITIATIVES TAKEN BY THE MINISTRY OF STEEL:

In order to encourage the domestic steel industry, government provided extended support to domestic players by taking various initiatives. In order to preserve iron ore resources for domestic use, export duty on iron ore has been increased to 30% ad valorem on all varieties of iron ore (except pellets). New techno-economic benchmarks have been evolved on international patterns to improve performance of steel PSUs. To assess steel demand in the rural areas & examine the potential to increase steel consumption levels, a Joint Plant Committee (JPC, under the ministry) studied 300 districts, 1,500 villages, 4,500 manufacturers & 8,000 retailers spread over India's 28 states & 7 union territories. Government has initiated Project Monitoring Group (PMG) constituted under the Cabinet Secretariat in order to fast track various clearance issues that results in the delay in investments in the steel industry.

### GLOBAL STEEL TUBES AND PIPES INDUSTRY OUTLOOK

The global steel tubes market is expected to grow at a CAGR of over 6% by 2020. This is led by high demand from construction, transmission and distribution sectors. The consumption of steel pipes has also increased in oil and gas segment, due to continuous innovations in drilling technologies, such as horizontal drilling as these technologies provide access to the most remote locations, unconventional formations, and deepwater regions. Also a huge demand for galvanized steel is seen from the infrastructure and construction sectors, owing to its corrosion-resistant properties. The increase in usage of galvanized steel in industrial applications will further boost the growth of the steel tubes market in future. (Source: Technavio dated Aug 2016)

### INDIAN STEEL TUBES INDUSTRY:

India is one the fastest growing economy in the world. Rapid industrialization in the country will lead to increase in investments in building and construction activities and thus the galvanized steel tubes market is expected to grow in the foreseeable future. In India, the process industries, infrastructure and construction industries are primary consumer of galvanized steel tubes. The rate at which the number of construction and residential projects are growing will further drive the growth of the galvanized steel tubes market.

An emerging trend in the Indian market is seen with application of galvanized steel tubes in oil and gas industry where steel tubes are widely used for various applications such as exploration, refining, and transportation as they are durable, mechanically strong, and thermally stable. These tubes work under harsh environmental and chemical conditions. Thus, Galvanized steel tubes are preferred due to their excellent stress crack resistance against oil and gas and various other extraordinary properties such as low permeation to hydrocarbon and methane, corrosion, and impact resistance. Galvanized steel tubes exhibit all these properties and are well suitable for applications in the oil and gas industry.

India is among the fastest growing steel tubes and pipe manufacturers in the world with production estimated at about 10 million tonnes a year. Over the years, India has emerged as the global pipe manufacturing hub due to lower costs, superior quality and geographical advantages. The future growth in the sector will be driven by increasing government spending on infrastructure segment, Make in India drive, Housing for all by 2020, upcoming airports and metro cities and oil & gas segment etc. With the focus on development of infrastructure and several initiatives of Central Government, Galvanized steel tubes market in India is forecasted to grow at a CAGR of 6.13% during 2017-2021. Following areas provide the growth opportunities in the sector:

- With emphasis on usage of natural gas, the surge in demand for pipes harbors huge prospects for the Indian pipe industry to penetrate into the international market and at the same time maintain growth momentum in

domestic market. With energy demand expected to rise by 60.71% in India by 2025, the domestic market has the huge potential to support the growth of the industry

- India has laid emphasis on infrastructure, ranging from malls to airports. Similarly, sectors such as real estate, automobiles and telecommunications among others hold potential to drive the demand for the pipe industry.
- The pace of transmission line additions is so robust that the actual line additions up to December 2016 have exceeded the planned programme. Hence the power sector will be a major force in propelling the demand for steel tubes and pipes.
- The Indian government has announced an investment of US\$110 billion for improving its ports and shipbuilding industry by 2020. Thus, steel tubes and pipes will find major application in ports.
- Government of India will be spending Rs. 8,50,000 Cr next five years to modernize Indian Railways, a major growth driver for the industry
- Fleets are going to be increased and upgraded led by increased adoption of air travel. Also, more airports across the country are planned.
- Housing shortage in both urban and rural India points to an investment opportunity as urban infrastructure requires additions and upgrades.

Demonetisation was a historic step taken by the Central Government which had a large impact on the smaller companies such as secondary steel sector, which mostly do business on cash, at the same time organized players gas gained market due to such short term disruptions in cash dependent un-organised markets This decision also had an impact on the rural demand in the sector, which usually picks up after the monsoon season, especially for construction-grade steel. Although, it was a short term phenomenon, due to several factors mentioned above the sector is on a structural growth path.

Implementation of goods and services tax (GST) will benefit industry to be more mature and organized, as unorganized players in the sector will have to move to organized form of doing business. Another positive will be that the new indirect tax regime will bring the trade and industry at par. The unorganized sector will have to go through a learning cycle to adapt the new tax structure which will be more IT-enabled. In such a scenario organised players with scale, quality and infrastructure like us will get an edge over the unorganized players. Moreover under the GST regime, there will also be ease of compliance as the tax amount levied in the invoice will be available for credit which was previously subject to audit and other compliances. The new tax structure will be neutral for the steel sector as the rate under GST regime is 18%, marginal lower than previously effective rate is about 18.125%. However, when steel is not used for non-creditable purposes, there will be an increase in the tax that the end user will have to pay. (Source: <http://www.thehindubusinessline.com/economy/gst-regime-steel->

[prices-to-go-up-marginally/article9708131.ece\)](https://www.researchandmarkets.com/research/4n33s6/galvanized_steel)

(Source: [https://www.researchandmarkets.com/research/4n33s6/galvanized\\_steel](https://www.researchandmarkets.com/research/4n33s6/galvanized_steel) and <http://www.businesswire.com/news/home/20170703005263/en/Galvanized-Steel-Tubes-Market-India-2017-2021-->)

## BUSINESS OVERVIEW:

### Company Background:

Incorporated in 1985, Hi-Tech Pipes Limited (hereinafter to be referred as the Company) manufactures wide range of products like steel tubes & pipes, Hollow sections, CR Sheets and strips, Galvanized Coils, Metal Crash Barriers and Cold Formed Steel etc. The company's diversified product range caters to various sectors and industries. The company is an approved vendor from major public sector undertakings.

The Company is a market leader in Crash Barrier segment. C is growing its presence in Solar Structures segment

The company is now foraying into new high quality products and high margin business like manufacturing of high quality Precision Tubes at Sanand and Hindupur facilities. Also, the company is entering Solar mounting structures by setting up Solar mounting capacities in Bangalore. The company's vision is to be a globally reputed steel processing Company with advanced technology and high quality specialized products.

### Performance Overview:

The company had remarkable performance during the year under review. The company has increased installed capacity by adding a facility in South India of 60000 MT thereby increasing capacity from 240000 MT to 300000 MT in the year 2016-17. Capacity utilization was at 57% with 1, 72,000 MT as against 153000 MT in the preceding year.

Revenues for the year marked a growth of 26.5% and stood at Rs. 637.4 Cr as compared to Rs. 503.9 Cr in previous year, this was led by capacity enhancement of 60,000 MT pa at Hindupur (Andhra Pradesh) and better capacity utilization across all facilities. EBITDA stood at Rs. 39.9 Cr for 2016-17 with EBITDA margin of 6.3% during the year as compared to Rs. 31.9 Cr in the previous year. Net profit for the year was up 58.5% at Rs. 10.3 Cr in the current year as compared to Rs.6.5 Cr in previous year.

Revenue from Tubular segment registered a growth of 41.3% over the last year and stood at Rs. 427.1 Cr as compared to Rs. 302.1 Cr in the last year. Tubular segment contributed 67% of the total revenue as compared to 60% in previous year. Revenue from Flat steel segment and engineering products grew at 5.4% and 1.2% over the previous year and contributed 25% and 8% respectively to the total revenues.

The company's balance sheet position remained healthy and the company closed the year with 15.9% increase in networth at Rs. 76.5 Cr. At the end of the FY17, the company has a total debt of Rs. 168.8 Cr with debt/equity ratio of 2.2 times. The company's return on equity and return on capital employed has improved from 9.8% and 13.4% in

FY16 to 13.5% and 14.4% respectively, these improvements in return ratios have achieved despite a lot of challenges in economy and fluctuation in price HR Coils.

## STRENGTHS, WEAKNESS, OPPORTUNITIES AND THREATS (SWOT ANALYSIS)

### Strengths

**Superior product quality:** The company's focus on building a pool of skilled manpower and investments in state of the art machineries and technologies, enabled the company to produce superior quality products with time and cost efficiencies.

**Cutting edge technology:** The Company consistently focuses on cutting edge technology as it is the key driver of the business. Technology continues to support business operations and drive competitive advantage for the Company. The Company has been always ahead of the learning curve and in this direction it is using latest technology in Tubemills.

**Innovative products:** The Company possesses a fully equipped research laboratory with all the latest equipment. Innovativeness and refining of processes is a major strength of the research team, which always helped in producing innovative products that can beat market competition.

**Quality Management:** The Company believes in the philosophy of Total Quality Management and Customer Relationship Management. The company's commitment to deliver world class quality products to its customers in the shortest time lag enabled the company to establish presence across two corners of India, leading to improved customer relationship.

**Better Capacity Utilisation and cost reduction approach:** The Company endeavors to utilize the capacity of its plants optimally in order to keep the cost at minimal levels. In the year under review the company has added a facility in South India of 60,000 MT thereby increasing capacity to reach 3,00,000 MT in the year 2016-17. The Company has achieved capacity utilization of 57% with 1,72,000 MT in the year 2016-17 as against 1,53,000 MT in the preceding year. In order to optimize inventory cost, company follows 'Just in time' policy for inventory, these focus and initiatives supported the company to reduce the inventory days to xx days in last year as against yy days in previous year.

### Weakness

**High working capital:** By the nature of business the Company requires high working capital which is met through banking facilities or fresh infusion of funds or internal accruals. The company's inability to manage the working capital can adversely impact the business operations and financial position.

**Supplier Concentration:** The major raw materials for the Company are HR Coils and Skelp. The company procures these raw materials from few suppliers, any disruption of supply of raw materials from these suppliers or the procurement terms not favorable to the company could adversely affect the company.

**Dependence on Dealers and Distributors:** Significant proportion of the sale is done through Dealers and Distributors. The business growth depends on the ability to attract additional dealerships/ distributorships to the network. Inability to maintain network may result in loss of market share.

### Opportunities

**Government Policies:** The various government schemes like Housing for all, Smart Cities projects, 24X7 Electricity, National Highway Development Program, Express ways, Metro Rail, Renewable Energy Target 100,000 MW, PM Krishi Sanchar Yojna, Swachh Bharat Abhiyan, Affordable Housing, E-Rickshaw Scheme by State Governments gives the company immense opportunities to expand the business.

**Infrastructure:** Investment in infrastructure by NITI Aayog is expected to USD 650 billion in the next 20 years. This increase in infrastructure investment is set to raise steel demand by roughly 18.75 MTPA. Investments of USD33.06 billion would be made in the steel sector in the coming years unleashing huge potential for the company.

**Consumer Durable:** The capital goods & consumer durables sectors are expected to grow at 7.5–8.8% over 2012–21 led by government's push and higher spending by Low and Middle Income segment.

**Automotive:** Over FY14–21, the automotive sector is projected to rise at a CAGR of 10.2%. These will be additional driver for the steel industry growth.

**Airports:** In FY16 numbers of operational airports stood at 95 and more modern & private airports are expected to be set up which would sustain consumption growth for steel pipes in India. Estimated steel consumption in airport building is likely to grow more than 20% over next few years.

**Railways/Metro:** The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in future. Gauge conversion, setting up of new lines & electrification would drive steel demand. The railways sector could create business opportunities worth USD 99.65 billion in the coming years for steel industry. A boom in the development of metro rail projects in India is helping generating lucrative business opportunities. The government aims to have metros in tier 2 and 3 cities like Bangalore, Kochi, Lucknow, Ahmedabad, Hyderabad, Nagpur, Noida etc and at least 50 cities across India eventually.

**Oil and gas:** Oil and gas amongst major end-user segment accounted for ~34.4% of primary energy consumption in FY16. This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity to the steel tubes and pipes industry.

**Power:** The government targets capacity addition of 88.5 GW under the 12th Five- Year Plan (2012–17) & around 100 GW under the 13th Five-Year Plan (2017– 22). Both generation & transmission capacities would be enhanced, thereby raising steel demand from the sector, The Government of India is taking a number of steps and initiatives to promote the renewable energy sector and has targeted of adding 175 GW of renewable energy, including addition of 100 GW of



solar power by the year 2022.

**Rural India:** Rural India is expected to reach per capita consumption of 12.11 kg to 14 kg for finished steel by 2020. Policies like Food for Work Programme (FWP) & Indira Awaas Yojana, Pradhan Mantri Gram Sadak Yojana are driving growing demand for construction steel in rural India. In FY16, per capita consumption of steel in rural India is estimated at 60 kg, which is lower in comparison with the global average of 216 kg.

### Threats

Steel is one of the main raw materials used in manufacturing of the product ranges. Steel prices are volatile, reflecting the highly cyclical nature of the global steel industry. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates. However the company has adopted various measures to minimize the adverse effect of volatile prices of raw materials.

The industry, in which the company is operating, is highly and increasingly competitive and the results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or a failure to grow market share, any of which could substantially harm business and results of operations. The company manages these threats with better products, informed customer relationships, focused demand generation efforts and a strong business outlook.

### RISKS AND RISK MITIGATION STRATEGIES

The Company is exposed to risks arising out of the dynamic macro-economic environment as well as from internal business drivers. These could adversely impact its ability to create value over the short, medium and long-term. The key risks and Company's mitigation plans are given below:

1. **Macroeconomic risks:** Overcapacity and oversupply in the global steel industry and high levels of imports may negatively affect steel prices and demand thereby reducing the Company's profitability.

**Mitigation Strategy:** The macroeconomic and market related risks are addressed through diversification of the Company's product portfolio and development of value added products.

2. **Financial risks:** Volatility in financial markets including fluctuation in foreign exchange rates impacts the Company's debt financing programmes and creates uncertainties in accessing financial markets. The Company has substantial amount of debt, which may adversely affect its cash flow and its ability to operate the business.

**Mitigation Strategy:** To counter exposure to foreign exchange volatility, the Company has formulated foreign exchange hedging policies to protect the trading and manufacturing margins. Liquidity management is integrated with business planning and cash flow projections. The Company opportunistically refinances

its debt with favourable covenants and reduced interest rates to provide financial flexibility to its business.

3. **Regulatory risks:** The Company faces regulatory risk from predatory pricing and surge in steel imports. Non-compliance to regulatory and environmental norms may result in liabilities and damage the Company's reputation.

**Mitigation Strategy:** The regulatory risks are managed through dialogue with regulatory authorities and proactive legal consultations to ensure timely sanctions, approvals, clearances, and renewal of mining leases for the Company's operations.

4. **Operational risks:** The industry is highly cyclical and a decrease in steel prices may adversely impact its financial condition. The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies. The Company's industry is inherently hazardous. Unsafe conditions/ acts leading to loss of life, injury may result in capital, financial and reputational damage.

**Mitigation Strategy:** The operational risks are mitigated through development of well-structured processes for effective project planning & management. The Company enhances in-house capability and leverage past project management expertise.

5. **Market related risks:** Competition from other materials, or changes in the products or manufacturing processes of the Company's customers who use steel products, could reduce market prices and demand for the Company's products, thereby reducing its cash flow and profitability. Product liability claims may adversely affect the Company's operations and finance.

**Mitigation Strategy:** The Company does strict monitoring of prices and adopts appropriate strategies to tackle such volatility. The Company has price escalation clauses for large orders and price validity clause for smaller projects to mitigate the risk.

6. **Climate Change Risks:** In April 2016, 174 countries, including India signed the Paris agreement (COP21). The principle aim of the Agreement is to accelerate and intensify the actions required for a sustainable low carbon future. India's commitments in COP21 have come into force and mandatory emission reduction targets are expected by 2020. Going forward, the industry will be challenged by increase in international and domestic regulations relating to GHG emissions. As a consequence the company's performance will depend upon the extent to which the Company will be able to recover the costs incurred through the pricing of its products in the competitive marketplace.

**Mitigation Strategy:** To mitigate the risk of climate change and to be sustainable, the Company is focusing on innovative technologies that can significantly lower emissions over the long-term. The GHG issues and the Company's responses are integrated into the



Company's strategy and planning, capital investment reviews, and risk management tools and processes, where applicable. Further, the Company draws on the Tata Group's initiatives and collaborations with academic & research institutions for projects on Climate Change issues.

7. People risk: The Company's success depends on the continued services of its senior management team and business and prospects could suffer if it loses one or more key personnel or if it is unable to attract and retain its employees. Any labour unrest could adversely affect the Company's operations and financial condition.

**Mitigation Strategy:** The Company periodically reviews the succession plan for its senior management team to ensure continuity in leadership. The Company's people related policies are reviewed and monitored to attract and retain its employees.

### INTERNAL CONTROL SYSTEMS

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company. The Company's internal controls systems are commensurate with the nature, size and complexities of operations. The Company has well defined and adequately documented systems, policies, procedures & guidelines that have been reviewed by the Board. The Company strictly followed the statute, laws, rules and regulations of the land. It ensures stringent compliance at all levels and across all business units and departments for safeguarding its assets, prevention and detection of fraud and errors, completeness of accounting records and timely preparations of financial statements.. These systems are regularly reviewed by the statutory and internal auditors. Significant audit observations and follow up actions thereon are reviewed by the Audit Committee.

### HUMAN RESOURCES

The Company believes that its people are its most important asset and thus continuously strives to scale up its employee engagement through well-structured systems and a visionary HR philosophy. The Company is committed to nurturing an open environment which allows for easy assimilation of ideas and enriches the company's collective knowledge pool. The company aspires to evolve into a future-ready organization centred on promoting a collaborative and cohesive culture.

The company continuously invests in role-based training and upskilling of its employees at all levels to ensure that they remain at the forefront of skill-set upgradation in the industry. The Company also continues to facilitate learning

process across all levels through blended learning approach of In-house programs and external trainings encompassing behavioral & management areas. The company fosters work-life balance and several health & wellness initiatives are offered on an ongoing basis. The company maintains cordial relationship with its employees at all its manufacturing units.

### ENVIRONMENT, CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has been a long-standing commitment at Hi tech Pipes Ltd. The Company has framed CSR Policy on the basis of guidelines issued by Department of Public Enterprises and the provisions of Companies Act, 2013. The Company's contribution to social sector development includes several pioneering initiatives like Scientific Research by Hospitals. The CSR Policy of the Company sets the framework guiding the Company's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR Committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy.

During the year, the Company had set aside a sum of Rs.17.30 Lakhs for towards spending on CSR activities, in pursuance of Section 135 of the companies Act, 2013. The company had judiciously spent Rs.3 Lakhs of this allocated amount and rest it has planned to utilize in next financial year, FY18.

### CAUTIONARY STATEMENT

This Statement contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil, steel prices world-wide, technological obsolescence and domestic, economic and political conditions. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors. The Company disclaims any duty to update the information given in the aforesaid reports.

## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors have pleasure in presenting the Thirty Third Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2017.

### FINANCIAL RESULTS

A brief over view on Standalone Financial statements of the Company for the year ended March, 31, 2017

(` in Lakh)

PARTICULARS	Standalone	
	2016-17	2015-16
Sales	59136.01	50394.76
Other Income	253.54	97.17
Total Income	<b>59389.55</b>	<b>50491.93</b>
Profit before tax	<b>1317.60</b>	<b>1007.28</b>
Less Tax Expenses	439.04	357.65
Add: MAT credit entitlement	0	0
Profit After Tax	<b>878.57</b>	<b>649.63</b>
Transfer to General Reserve	100	100
Earning per share (Basic)	8.53	8.29
Earning per share(Diluted)	8.53	8.29

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the requirements of the Act and Listing Regulations. 2015, the Consolidated Accounts of the Company and its subsidiaries for the Financial Year 2016-17, form part of this Annual Report.

(` in Lakh)

PARTICULARS	Consolidated	
	2016-17	2015-16
Sales	<b>63742.90</b>	<b>50394.76</b>
Other Income	<b>238.78</b>	<b>97.17</b>
Total Income	<b>63981.68</b>	<b>50491.93</b>
Profit before tax	<b>1483.07</b>	<b>1007.28</b>
Less Tax Expenses	482.28	357.65
Add: MAT credit entitlement	33.74	0
Profit After Tax	<b>1034.53</b>	<b>649.63</b>
Transfer to General Reserve		<b>100</b>
Earning per share (Basic)	<b>10.04</b>	<b>8.29</b>
Earning per share(Diluted)	<b>10.04</b>	<b>8.29</b>

### FINANCIAL PERFORMANCE

Company has posted impressive performance during the current financial year under review. On consolidated basis,

revenue from operations for FY 2016-17 at `63742.90 lakhs was higher by 26.48% over last year (`50394.76 in FY 2015-16). Earnings before interest, tax, depreciation and amortization ("EBITDA") was `4227.54 registering a growth of 28.43 % over EBITDA of `3291.54 in FY 2015-16. Profit after tax ("PAT") for the year was `1034.53 recording a growth of 59.24% over the PAT of `649.63 of FY 2015-16.

During the Year, the company has manufactured as follows:

(units: in mt)

Product	2016-17	2015-16
C.R. Products	80380.00	56156.80
Steel Pipes	80172.73	72395.02
Others*	6000.00	4,809.88

### FUTURE OUTLOOK

The company's motto, "*shaping steel for life*" continues to be reflective of the highest standards of performance followed by the company to provide value to its shareholders and stake holders, including banks/ financial institutions and society at large. Use of cutting-edge technology and innovation, combined with regular re-engineering of its processes aimed at providing quality products to its customers within scheduled time-lines, have put the company in a more advantageous position as compared to its peers and competitors in the Steel Industry. The aim of your company is to set examples in personal & professional conduct all while delivering products and services that exceed customer's expectations.

Company has achieved a new milestone in this fiscal year, by honored "**Super SME Award 2016**" by our Hon'ble Union Minister Shri Kalraj Mishra for Micro, Small & Medium Enterprises on July 09, 2016 at PHD House, New Delhi. The Company was selected for this prestigious award being one of the Shining Stars of Indian SME Sector who have exhibited exemplary growth and innovation, among the shortlisted entries by the eminent jury based on a combination of the quantitative scores and qualitative information and discussion around it.

Further on June 28, 2017 the Company has completed the commissioning of a 4-HI Cold Rolling Mill at Sikandrabad Unit. The installed capacity of newly commissioned mill is 72,000MT. These new fully automated mills are equipped with the latest technology and will replace the older mills. Commercial production of the newly installed mill commences on 1st July 2017 and that will increase operational efficiencies by lowering cost of production and enhancing productivity, improve quality, and increase range of products that the Company has to offer. With this installation, the Company will also be able to enter new market segments in the automobile industry and electrical grade applications.

on the recent developments, Mr. Ajay Kumar Bansal, CMD, Hi-tech Pipes Limited said:

*"I am happy to share with you that in line with our vision to continuously innovate and reinvent we have successfully completed the commissioning of the 72,000 MT 4-HI Cold Rolling Mill at our plant in Sikandrabad, (U.P.). This new Mill will be replacing the old ones and thereby help in bringing in operational efficiencies. Once production commences in early July, we will also be able to enter the automobile and electrical sectors which are currently untapped by the Company generating increased revenues".*

## DIVIDEND

Your Board is pleased to recommend a dividend of ₹ 0.25 per equity share on the paid up Equity shares of the Company for the Financial Year 2016-17 amounting to ₹ 25,75,275/- (Twenty Five Lakh Seventy Five Thousand Two Hundred Seventy Five)

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit Transfer and Refund) Rules 2016 ("The Rules"). According to the rules the shares in respect of Dividend has not been paid or claimed for a period of seven years from the date they became due for payment are required to be transferred to the IEPF established by the Central Government. In regard to above, Company is maintaining unpaid/unclaimed Dividend Account for the year 2016-17.

## TRANSFER TO RESERVES

During the period under review, the Company has transferred ₹ 100 Lakhs to General Reserves.

## MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

## ANNUAL RETURN

Pursuant to section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return is attached herewith as **Annexure I**

## DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there are no unclaimed or unpaid deposits lying with the company for the year under review.

## PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY

All contracts/arrangements/transaction entered into by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with the related parties which could be considered material in accordance to the policy of the Company on Determination of Materiality of any Event or Information.

Policy on Determination of Materiality of any Event or Information, as approved by the Board is available on the website of the Company i.e. [www.hitechpipes.in](http://www.hitechpipes.in)

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The particulars of loans, guarantees and investments have been disclosed in financial statements. Further the Company has given Corporate Guarantee against loan availed by Wholly Owned Subsidiary i.e. M/s HTL Metal Private Limited and complied with the provisions of the Companies Act, 2013 and any other provisions if any.

## DIRECTORATE:

In accordance with the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, the Board consists of following Directors/KMP:

I. **Mr. Ajay Kumar Bansal**, aged 59 Years, is the Promoter and Managing Director of our Company. He is a Commerce graduate from Delhi University having more than 35 years of experience in manufacturing of Steel Pipes and Tubes. He has also been nominated as Chairman of Tubes Panel of Federation of Industries of India. He belongs to family who is in the business of trading and manufacturing of Steel pipes over 35 years. He is looking after operations of the Company with the support of other experienced personnel on the upper and middle hierarchy.

Mr. Ajay Kumar Bansal was appointed as Managing Director on 1st October, 2012 in 28th Annual General Meeting for a period of Five(5) Years i.e. upto 30th September, 2017. Therefore the Board has recommended his re-appointment for the shareholders approval as Managing Director for another term of five years w.e.f 1st day of October, 2017.

II. **Mr. Anish Bansal**, aged 32 Years, is the Promoter and Whole-time Director of our Company. He has done B.Sc Economics in Banking and Finance from Cardiff University U.K in 2005 and having rich experience of more than 10 years in corporate finance, strategies, marketing, product development, implementation of projects, international trade and finance and other corporate matters.

Mr. Anish Bansal was appointed as Whole Time Director on 1st October, 2012 in 28th Annual General Meeting for a period of Five(5) Years i.e. upto 30th September, 2017. Therefore the Board has recommended his re-

appointment for the shareholders approval as Managing Director for another term of five years w.e.f 1st day of October, 2017.

**III. Ms. Tanvi Kumar**, aged 30 years, is the Non-Executive & Independent director of our Company. She has completed BA LLB from ILS Law College- Pune in the year 2009. She is a member of Bar Council of India having rich experience in corporate litigation matters and also attended the mock session of UN Assembly. She is Senior Associate in Khaitan & Company.

**IV. Ms. Neelima Jain**, aged 37 years, is the Non-Executive & Independent director of our Company. She has done B.Com from Delhi University. She is having experience of more than 10 years as a sub broker in capital market.

#### DECLARATION BY INDEPENDENT DIRECTOR

As per the requirement of section 134(3)(d) of the Companies Act, 2013, Declarations have been received from all Independent Director of the Company that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Ms. Jesmee Tikoo Company Secretary and KMP of the Company have resigned and Mr. Arun Kumar has been appointed as the Company Secretary and KMP of the Company.

#### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT/ TECHNOLOGY ABSORPTION/ FOREIGN EXCHANGE EARNING AND OUTGO

The information required pursuant to section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure II** to the Board's report.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provision of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has constituted a Corporate Social Responsibility Committee.

The Committee comprises of Three Director viz. Mr. Anish Bansal, Whole-Time Director, Mr. Ajay Kumar Bansal, Managing Director, Ms. Neelima Jain, Independent Director.

Mr. Anish Bansal is the chairman of the Committee.

The Board has also framed its Corporate Social Responsibility Policy to provide benefit to the weaker section of the Society.

The CSR Policy has been uploaded on the company's website and same may be accessed at the link given hereunder:

<http://www.hitechpipes.in/images/investorspdf/CSRPolicy.pdf>

#### ROLE OF CSR COMMITTEE

(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified

in Schedule VII of the Companies Act 2013;

- (b) To recommend the amount of expenditure to be incurred on the activities referred to in clause II in a financial year;
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- (d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Your company has set aside an amount of ` 17.30 lakhs required to be spent for CSR activities in accordance with the provisions of the Companies Act. However, the Company has spent ` 3 lakhs during the year. The Company is yet to release / spend amount thereof. In view of sluggish market condition and working capital requirement during the year under consideration, the CSR spend has been restrained. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 135 of the Companies Act 2013 and Schedule made there under is provided in this report as **Annexure III**.

#### BOARD MEETINGS

During the Financial year ended March 31, 2017, 13 (Thirteen) meetings of the Board of Directors were held the details of which are as under:

Sr. No.	Date of Board Meeting	Name of Directors who attended the Board Meeting	Name of Director to whom leave of absence was granted
1	27-04-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal Ms. Tanvi Kumar Ms. Neelima Jain Mr. Baij Nath Gupta	None
2	03-05-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar Mr. Baij Nath Gupta
3	30-05-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal Mr. Baij Nath Gupta	Ms. Neelima Jain Ms. Tanvi Kumar
4	11-07-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
5	10-08-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
6	19-08-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
7	27-09-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
8	01-10-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
9	21-10-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
10	14-11-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal Ms. Neelima Jain	Ms. Tanvi Kumar
11	21-12-16	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar



Sr. No.	Date of Board Meeting	Name of Directors who attended the Board Meeting	Name of Director to whom leave of absence was granted
12	13-01-17	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar
13	28-02-17	Mr. Ajay Kumar Bansal Mr. Anish Bansal	Ms. Neelima Jain Ms. Tanvi Kumar

Follow-up: The Company has an effective post meeting follow-up, review and reporting process for the decisions taken by the Board. The significant decisions of the Board are promptly communicated to the concerned departments/business units. Action taken reports on decisions of the previous meeting(s) are placed at the immediately succeeding meeting for review by the Board.

### SUBSIDIARY COMPANY

During the year your Company has acquired 100% control in **M/s HTL Metal Private Limited** from the erstwhile shareholder of the Company. With this acquisition, the management of Company believes that the Company's position in the emerging markets, especially in high end segment, and in southern part of India will strengthen further. For the accelerated pace of growth in the market expansion geographically, this strategically acquisition will provide the company almost ready to use manufacturing facilities and direct access in new markets

As per first proviso of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the balance sheets of the subsidiary companies have not been attached to the Annual Report. However, Company is required to attach along with its financial statements a separate statements containing the salient features of financial statements of its subsidiaries in Form AOC-1 in **Annexure IV**.

Further, the Annual Accounts of the subsidiary company and the related detailed information will be made available to the shareholders of the holding and subsidiary company seeking such information at any point of time and the Annual Accounts of the subsidiary company will also be kept for inspection by any member in the head office of the holding company and of the subsidiary company concerned. The Company will furnish a hard copy of details of accounts of subsidiary to any shareholder on demand. Further, the annual accounts for the financial year 2016-17 of its subsidiary company are available on the website of the company ie. [www.hitechpipes.in](http://www.hitechpipes.in).

**The performance of M/s HTL Metal Private Limited i.e. subsidiary company (as defined in the Companies Act 2013) for the year is given below:-**

During the year, Company has Set up a depot for large scale expansion drive of the company at Gauribidanur, Karnataka (Shop No. 1 Lakshmi Complex, B H Road, Opp National Collage, Gauribidanur-561208) for direct access into the markets of Southern part of India and also establish a Unit at Plot No. 41-B, Industrial Park Gollapuram, Hindupur-515211, Anantapur (A.P) with installation capacity of 60000 MTPA (Metric Tonnes Per Annum).

The entity is coming up with a state of art, latest technology manufacturing lines, completely synchronized with ancillary, balancing/ finishing equipments with superior layout plans aiming better capacity utilization and input-output ratio in the southern part of India to manufacture MS Steel Tubes, Pipes and Hollow Sections in all variants. Commercial production is scheduled in the second half of the current fiscal itself.

### STATUTORY AUDITOR

The existing Statutory Auditors M/s. N.C. Aggarwal & Co., Chartered Accountants, have expressed their inability to continue as Auditors of the Company and hence tendered their resignation on 24<sup>th</sup> July, 2017. Accordingly the Board had approached M/s. A.N. Garg & Co, Chartered Accountants to fill up the casual vacancy caused by resignation of existing auditors. M/s. A.N. Garg & Co., Chartered Accountants, signified their willingness to be appointed and declared their eligibility to be appointed as a Statutory Auditor of the Company. Hence the Board of Directors, vide its resolution passed on 10<sup>th</sup> August, 2017 had appointed M/s. A.N. Garg & Co., Chartered Accountants as Statutory Auditors of the Company to fill up the casual vacancy caused by resignation of M/s. N.C. Aggarwal & Co., Chartered Accountants, the existing auditors. As per provisions of section 139(8) of the Companies Act, 2013 the appointment of Statutory Auditors to fill up the casual vacancy caused by resignation of existing auditors, needs to be approved by the members of the Company at a general meeting convened within a period of three months. Hence appointment of M/s. A.N. Garg & Co., Chartered Accountants, as a statutory auditor to fill up the casual vacancy caused by resignation of existing auditors, has been recommended. It is further proposed to re-appoint M/s. A.N. Garg & Co., Chartered Accountants, as a Statutory Auditors of the Company to hold the office from the conclusion of forthcoming Annual General Meeting up to the conclusion of Sixth Annual General Meeting. M/s. A.N. Garg & Co., Chartered Accountants, have signified their willingness to be appointed and declared that they are eligible for re appointment.

### SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Board had appointed M/s Kiran Sharma & Co. Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016 –17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure V** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and are self explanatory.

### COST AUDITOR

Pursuant to Section 148 of The Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Director had, on the recommendation of the Audit Committee, appointed M/s S. Shekhar & Co. to audit the cost records of the Company for the financial year 2017-18 at

a remuneration of ₹ 50,000. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members for ratification.

The Board recommends the ratification of remuneration of Cost Auditors of the Company.

### **COST AUDITORS' REPORT**

In terms of section 148 of The Companies Act, 2013 the Company had appointed M/s S. Shekhar & Co. Cost Accountants as the Cost Auditor of the Company for the Audit of cost records of the Company in terms of Act, post Audit shall submit their report to Board in due course.

### **RISK MANAGEMENT**

The Company has adopted the risk management policy which is aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. Your directors periodically review the risks associated with the business or threaten the prospectus of the company. The Risk Management Policy has been uploaded on the Company's website and same may be accessed at the link given hereunder: <http://www.hitechpipes.in/pages/page/code-of-conduct-and-policy>

### **AUDIT COMMITTEE**

Pursuant to the provisions of Section 177 of the Companies Act, 2013, our audit committee comprised of the following Directors as its members whose primary objective is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them.

1. Neelima Jain - Non Executive Independent Director
2. Tanvi Kumar - Non Executive Independent Director
3. Anish Bansal - Promoter Director

Ms. Neelima Jain is the Chairman of the Committee.

The composition of same has been changed as and when required. The Audit Committee acts as link between the statutory and internal auditors and the Board of Directors. It assist the Board of Directors in fulfilling its oversight responsibilities of monitoring financial reporting processes, review the Company's established system & processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Further, there were no instances where the Board has not accepted the recommendation of the Audit Committee.

### **NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, our Nomination and Remuneration Committee comprised of the following Directors as its members.

1. Tanvi Kumar - Non Executive Independent Director
2. Neelima Jain - Non Executive Independent Director
3. Ajay Kumar Bansal - Managing Director

Ms. Tanvi Kumar is the Chairman of the Committee.

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of section 178 and other applicable provisions of the Companies Act, 2013 and rules made thereunder stating therein the company policy on Nomination and Remuneration of Director's, Key Managerial Personnel, and other Senior Management. The composition of same has been changed as and when required. The Nomination and Remuneration Policy has been uploaded on the Company's website and same may be accessed at the link given hereunder: <http://www.hitechpipes.in/pages/page/code-of-conduct-and-policy>

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors had constituted our Nomination and Remuneration Committee comprised of the following Directors as its members with the primary duty to look into redressal of investors complaints like transfer of shares, non-receipt of annual report and other investor related matters.

1. Neelima Jain (Chairman) - Non Executive Independent Director
2. Tanvi Kumar - Non Executive Independent Director
3. Ajay Kumar Bansal - Non Executive Independent Director

The composition of same has been changed as and when required. Your company would like to state that no complaint was received during the period under review, hence no complaint was pending at the end of the financial year.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

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

- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status of the company.

#### **NOMINATION AND REMUNERATION POLICY**

Pursuant to the provision of Section 178 of the Companies Act 2013 the Board of Directors on the recommendation of Nomination and Remuneration Committee has framed a policy for the appointment of Directors and Senior Management and their remuneration. The policy is available on the website of the Company.

#### **PARTICULARS OF EMPLOYEES:-**

The information as required to be given pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forming part of this report for the year ended 31<sup>st</sup> March 2017 and marked as **Annexure VI**

#### **REMUNERATION RATIO OF THE DIRECTOR/KEY MANAGERIAL PERSONNEL (KMP)/ EMPLOYEES:-**

Particulars of employees and the ratio of remuneration of each director to the median employees remuneration and other details as required under section 197 (12) of the Companies Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of this report for the year ended 31<sup>st</sup> March 2017 and marked as **Annexure VI**

#### **BOARD EVALUATION**

Pursuant to the provision of section 134 of the Companies Act 2013, the Board evaluates the performance of every director on the Board as well as the members of the committee of the Board (Includes Audit, Nomination & Remuneration Committees and Stakeholder Relationship committee). The Board also evaluates the performance of the Board and each of its committee as a whole. All the directors are eminent personalities with business acumen having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

#### **LISTING**

The company is a professionally managed Listed Company, having its Shares listed on Emerge Platform of National Stock Exchange of India Limited (NSE). The Exchange have nationwide trading terminal and therefore, Shareholders/ Investors are not facing any difficulty in trading the shares of the Company from any part of the country. The Company has paid the Annual Listing Fees to NSE and Annual Custody Fees to NSDL and CDSL.

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

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in-house Internal Audit Department. Internal Financial Control & Systems of the Company has been devised through its extensive experience that ensures control over various functions of its business. The Company practices Quality Management System. Periodic audits conducted by Internal Auditors and Statutory Auditors provide means whereby any weakness, whether financial or otherwise, is identified and rectified in time.

#### **HUMAN RESOURCES**

Your Company recognizes human assets as a primary source of its growth & competitiveness. While your Company continues to nurture and harness core management teams, it has successfully achieved the project execution, management & facility management. Accordingly as on 31<sup>st</sup> March, 2017, your Company's "on rolls" talent pool comprise of employees.

Your Company's HR practices, systems and people development initiatives are focused on deployment and scouting for the "Best Fit" talent for all key roles. Pay for performance, reward and recognition program, job enrichment and lateral movements provide opportunity for growth & development of the talent pool.

Your Company continues to emphasize on the development and up-gradation of knowledge and skills of employees by conducting training encompassing behavioral management along with ongoing e-learning initiatives which encourage self-development and knowledge sharing.

#### **VIGIL MECHANISM**

Pursuant to the provision of section 177(9) of the Companies Act, 2013 the company has formulated a Vigil Mechanism/ Whistle Blower Policy to deal with the unethical behavior or violation of the Company's code of conduct and policy.

The Policy on Vigil Mechanism has been adopted and the same was uploaded on the website of the company and may be viewed at <http://www.hitechpipes.in/pages/page/code-of-conduct-and-policy>

#### **CAPITAL STRUCTURE**

##### **Issue of Equity shares with Differential Rights**

The company has not issued any equity shares with differential rights during the year under review as per Rule 4(4) of Companies (Share Capital & Debentures) Rules 2014.

**Preferential Issue Sweat Equity**

In pursuant to the 42 and 62(1)(c) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (collectively, the "CA 2013"); and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended ("ICDR Regulations"); and any other rules / regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, stock exchanges and/or any other statutory / regulatory authority; the company had made an offer of 6,00,000 (Six Lakh) Equity shares on Preferential basis as proposed and approved by the Board of Directors and Members of the Company in their meeting duly held on October 21, 2016 and November 14, 2016 respectively, as allotment could not be made within the stipulated time as per the ICDR regulations and the offer was not subscribed and thus the offer was ultimately withdrawn by the company and took the note of the same in the Board Meeting held on February 28, 2017.

**Employees Stock Option Scheme**

The company has not issued any shares under Employees Stock Option Scheme during the year under review as per Rule 9(12) of the Companies (Share Capital & Debentures) Rules 2014.

**Bonus Shares**

The company has not issued any bonus shares during the year under review as per Rule 14 of the Companies (Share Capital & Debentures) Rules 2014.

**Buy Back of Securities**

The company has not bought back any of its securities during the year under review as per Rule 16(4) or Rule 17 of the Companies (Share Capital & Debentures) Rules 2014.

**DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted measures from time to time on prevention prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment

of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2016-17.

The policy can be viewed at:

<http://www.hitechpipes.in/pages/page/code-of-conduct-and-policy>.

**CAUTIONARY STATEMENT**

Your Company has taken due caution while preparing this Annual Report ("the Report"). The Report may contain futuristic or forward looking statements, which the management believes to be true to the best of their knowledge. However, actual results may differ from those mentioned in the Report.

**ACKNOWLEDGMENT**

Your Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. The hard work and unstinting efforts of the employees have enabled the Company to sustain and further consolidate its position in the industry. Your Company continues to occupy a place of respect among stakeholders, most of all our valuable customers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including financial institutions, banks, Central and State Government authorities, customers and other business associates, who have extended their valuable and sustained support and encouragement during the year under review. It will be the Company's endeavor to build and nurture these strong links with its stakeholders. Your Directors acknowledge with gratitude the wholehearted guidance, support and the co-operation of the contractors, sub-contractors, professionals and other intermediaries at all levels for their dedication and sincerity at work.

For Hi-Tech Pipes Ltd.

Sd/-

Place : New Delhi  
Date : August 10, 2017

**Ajay Kumar Bansal**  
Managing Director



**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2017

[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 : L27202DL1985PLC019750
- ii) Registration Date : 02/01/1985
- iii) Name of the Company : Hi-Tech Pipes Limited
- iv) Category / Sub-Category of the Company : Non-Govt. Company
- v) Name, Address of the Registered office and contact details : 505, Pearls Omaxe Tower, Netaji Subhash Place  
Pitampura New Delhi-110034  
Ph.No.: +91-11-48440050, Fax: +91-11-48440055
- vi) Whether Listed Company : Listed Company
- vii) Name, Address and Contact details of the Registrar and Transfer Agent, if any : Bigshare Services Private Limited  
E- 2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka Andheri (East), Mumbai-400072  
Ph. No.: 011 2352 2373

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name and description of main products/ services	NIC Code of the Product/service	% of total turnover of the Company
1.	CR Coils	24105	24.25
2.	Tubes & Pipes	24311	73.50
3.	Crash Barrier	24319	2.25

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

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	HTL Metal Private Limited 501, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura New Delhi 110034	U27320DL2011PTC214435	Subsidiary	100	2 (87) of Companies Act, 2013

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) CATEGORY-WISE SHAREHOLDING**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
Individuals/ HUF	5165100	-	5165100	50.14%	5165100	-	5165100	50.14%	-
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	1068000	-	1068000	10.37%	1068000	-	1068000	10.37%	-
Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
Any Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(1)</b>	<b>6233100</b>	<b>-</b>	<b>6233100</b>	<b>60.51</b>	<b>6233100</b>	<b>-</b>	<b>6233100</b>	<b>60.51</b>	<b>-</b>
<b>(2) Foreign</b>									
Individuals (Non-Residents)	-	-	-	-	-	-	-	-	-
Individuals/ Foreign Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Any Others(Specify)	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	6233100	-	6233100	60.51	6233100	-	6233100	60.51	-
<b>(B) Public shareholding</b>									
<b>(1) Institutions</b>									
Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Any Other (Domestic Co. & Market Maker)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-institutions</b>									
Bodies Corporate	1039014	-	1039014	10.08	974916	-	974916	9.46	(.06)
Individuals	-	-	-	-	-	-	-	-	-
Individuals- Individual shareholders holding nominal share capital up to ` 1 lakh	999000	-	999000	9.70	922084	-	922084	8.95	(0.7)
ii. Individual shareholders holding nominal share capital in excess of ` 1 lakh.	1361986	668000	2029986	19.71	1810992	-	1810992	17.58	(2.12)
Any Other (specify)									
Clearing Member	-	-	-	-	154508	-	154508	1.50	1.50
Non Resident Indians (NRI)	-	-	-	-	1500	-	1500	0.01	0.01
Non Resident Indians (NON REPAT)	-	-	-	-	48000	-	48000	0.47	0.47
NBFC Domestic					156000	-	156000	1.51	1.51
<b>Sub-Total (B)(2)</b>	3400000	668000	4068000	39.49	4068000	-	4068000	39.49	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	3400000	668000	4068000	39.49	4068000	-	4068000	39.49	-
<b>TOTAL (A)+(B)</b>	<b>9633100</b>	<b>668000</b>	<b>10301100</b>	<b>100</b>	<b>10301100</b>		<b>10301100</b>	<b>100</b>	<b>-</b>
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
<b>Sub-Total (C )</b>									
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>9633100</b>	<b>668000</b>	<b>10301100</b>	<b>100%</b>	<b>10301100</b>	<b>-</b>	<b>10301100</b>	<b>100</b>	<b>-</b>

**ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2016			Shareholding at the end of the year As on 31.03.2017			% of Change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered of total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered of total shares	
1.	AJAY KUMAR BANSAL	1491900	14.48%	0.29%	1491900	14.48%	0.29%	NIL
2.	ANISH BANSAL	637600	6.19%	NIL	637600	6.19%	NIL	NIL
<b>Total</b>		<b>2129500</b>	<b>20.67%</b>	<b>0.29%</b>	<b>2129500</b>	<b>20.67%</b>	<b>0.29%</b>	<b>NIL</b>

## iii) Change in Promoter's Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2016		Shareholding at the end of the year As on 31.03.2017		% of Change in share holding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	AJAY KUMAR BANSAL	1491900	14.48%	1491900	14.48%	NIL
2.	ANISH BANSAL	637600	6.19%	637600	6.19%	NIL
<b>Total</b>		<b>2129500</b>	<b>20.67%</b>	<b>2129500</b>	<b>20.67%</b>	<b>NIL</b>

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

S. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Shareholding at the end of the year as on 31.03.2017	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	AVR TRENDS INTERNATIONAL PVT LTD	240000	2.32%	240000	2.32%
2	EVEREST GROW MORE FINANCE PRIVATE LIMITED	200000	1.94%	200000	1.94%
3	AMRUTLAL CHHAGAN LAL	188000	1.82%	188000	1.82%
4	NARANBHAI CHHAGANBHAI PATEL	180000	1.74%	180000	1.74%
5	SUBHADRABEN BHAGUBHAI PATEL	180000	1.74%	180000	1.74%
6	AKG INVESTMENT SCENARIO (P) LTD.	147000	1.42%	156000	1.42%
7	CHAND RANI JINDAL	-	-	141000	1.36%
8	DECENT FINANCIAL SERVICES PVT LTD	-	-	133500	1.29%
9	SUMPOORNA PORTFOLIO LIMITED	9000	0.08%	94500	0.91%
10	SHRI PARASRAM HOLDINGS PVT.LTD.	-	-	94500	0.91%

## v). Shareholding of Directors and Key Managerial Personnel (KMPs)

S. No.	Particulars	Shareholding at the beginning of the year as on 01.04.2016		Shareholding at the end of the year As on 31.03.2017	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>A</b>	<b>Directors:</b>				
1	Ajay Kumar Bansal	1491900	14.48%	1491900	14.48%
2	Anish Bansal	637600	6.19%	637600	6.19%
<b>B</b>	<b>Key Managerial Personnel</b>				
1	-	-	-	-	-

## V. INDEBTEDNESS

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

(₹ in Lakh)

Particulars	Secured Loans excluding	Deposits Unsecured	Loans Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	13,486.68	1,663.92	-	15,150.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.84	-	-	11.84
<b>Total (i+ii+iii)</b>	<b>13,498.52</b>	<b>1,663.92</b>	<b>-</b>	<b>15,162.44</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,810.20	80.00	-	1,890.20
Reduction	818.79	131.08	-	949.87
Net Change	991.41	(51.08)	-	940.33
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount as on 31.03.2017	14,489.93	1612.836	-	16,102.77
ii) Interest due but not paid			-	
iii) Interest accrued but not due as on 31.03.2017	34.46		-	34.46
<b>Total (i+ii+iii)</b>	<b>14,524.38</b>	<b>1,612.84</b>	<b>-</b>	<b>16,137.22</b>

**VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in Lacs)

S. No.	Particulars of Remuneration	Mr. Ajay Bansal (MD)	Mr. Anish Bansal (WTD)
1	Gross Salary	36.00	24.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	-
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	-	--
	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	--
3	Sweat Equity	-	-
4	Commission	-	--
	- as % of profit	-	-
	others, specify	-	--
5	Others, please specify	-	--
	<b>Total (A)</b>	36.00	24.00
	Ceiling as per the Act	The Managerial Remuneration is within the limit, as prescribed under the Companies Act,2013	

**B. Remuneration to other directors**

(₹ in Lacs)

S. No.	Particulars of Remuneration	Total Amount		
		Ms. Tanvi Kumar	Mr. Baij Nath Gupta*	Ms. Neelima Jain*
1.	<b>Independent Directors</b>			
	Fee for attending Board Committee Meetings	-	-	-
	Remuneration by way of Commission	-	-	-
	Others, please specify (1)	-	-	-
2.	<b>Other Non- Executive Directors</b>			
	Fee for attending Board Committee Meetings	-	-	-
	Commission	-	-	-
	Others, please specify (2)	-	-	-
	<b>Total B = (1+2)</b>			
	<b>Total Managerial Remuneration (A+B)</b>			

\*Mr. Baij Nath Gupta has resigned from the office of Director w.e.f. 30.06.2016

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

(₹ in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	1.75	-	1.75
	(b) Value of perquisites u/s17(2) Income-tax Act,1961		-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	
2	Stock Option		-	
3	Sweat Equity		-	
4	Commission		-	
	- as % of profit		-	
	others, specify		-	
5	Others, please specify		-	
	<b>Total (A)</b>	1.75	-	1.75



## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees Imposed	Authority [RD /NCLT/COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty					
Punishment					
Compounding					

**Disclosure pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (Chapter IX) for Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

**A. Conservation of Energy:**

- a) The Company has given top priority to conservation of energy on continuous basis by closely monitoring energy consuming equipment involving use of energy generating diesel set and power purchased from Electricity Board e.g. size of the motors are optimum to save energy. The Company has been conserving energy by resorting to use of power to the barest minimum.
- b) Keeping in view the nature of the manufacturing process no additional investment is proposed and hence further consumption of energy is ruled out in the near future.
- c) No specific studies regarding impact of the above measures of (a) and (d) have been carried out and the cost impact of energy cost and energy saving measures on cost of production of goods is not material, as it forms a very minimum percentage vis-a vis the cost of Company's product.
- d) Total energy consumption and energy consumption per unit of production is given as per Form-A.

**Form- A Power & Fuel Consumption:**

S.No	Particulars	Current Year	Previous Year
1.	<b>Electricity</b>		
a.	Purchased Unit	13955151	12830796
	Total amount (in Lacs.)	1163.37	1041.65
	Rate/unit	8.34	8.12
b.	<b>Own generation</b>		
	Through Diesel Generator units	138719	174345
	Unit per Liter of Diesel Oil	3.49	3.41
	Cost/Unit	16.24	16.45

**B. Technology Absorption:**

**I. Researches and Development (R&D)**

- a) **Specific area in which R & D carried out by the Company:**

There is no specific area in which the Company has carried the R & D. However, the Company is continuously making efforts for improvements in its production process for better productivity and cost efficiency.

- b) Benefits derived as a result of improvement in efficiency of Plant & Machinery by maintaining low maintenance cost.

**c) Further plan to action**

The Company plans to monitor continuously the plant efficiency thus reducing the shortage and reducing the cost of production.

**d) Expenditure on R & D**

Charged under primary heads of account.

**II. Technological, Absorption, Adaptation & Innovation:**

**a) Efforts made towards Technology Absorption:**

For the goods manufactured by the Company there is a simple process of ERW manufacturing technique called Rolling production and the Company has already adopted the same and no innovations have been carried by the company, as there is no other available alternative that would ensure further cost efficiency.

**b) Benefits derived as a result of the above efforts:**

Productions of quality products have acceptability in the domestic market and ensure an easy marketability and goodwill for Company's product.

**c) Particulars relating to imported technology:**

The Company has not imported any technology and the plant has been installed with complete Indian Technical know-how.

**C. Foreign Exchange Earning and Out Go:**

Total Foreign Exchange used and earned:

The Detail with regard to foreign exchange earnings and out go are as under:

(In Lakh)

S.No	Particulars	Current Year	Previous Year
1.	Total Foreign Exchange earned	Nil	Nil
2.	Total Foreign Exchange used	19.31	8.97

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES  
[PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013] FOR THE FINANCIAL YEAR 2016-17**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has framed the corporate social responsibility (CSR) policy which encompasses its philosophy for delivering its responsibility as citizen and laid down process, guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

**Role of CSR Committee**

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;
- (b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- (c) To monitor the Corporate Social Responsibility of the Company from time to time;
- (d) Any matter/ thing may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

2. Average Net Profit of the Company for the last Three Financial Year: ₹ 721.49 Lakhs

3. Prescribed CSR Expenditure (Two percent of the Average Net Profit as in item 3): ₹ 14.43 lakhs

4. Details of the amount spent for the financial year: ₹ 14.43 Lakhs

**5. Composition of CSR Committee;**

Sl. No.	Name	Designation
1.	Mr. Anish Kumar Bansal	Whole Time Director (Chairman)
2.	Mr. Ajay Kumar Bansal	Managing Director (Member)
3.	Ms. Neelima Jain	Independent Director (Member)

**Manner in which the amount spent during the financial year is detailed below:**

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	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(in ₹)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (in ₹)	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Construction of Maharaja Agrasen Medical University	Promotion of Education (The project is covered under schedule VII(ii) of the Companies Act, 2013	Punjabi Bagh, New Delhi	300000	300000	300000	Direct

6. In case the Company failed to spent Two Percent of the average Net Profit of Last three financial Years or any part thereof, the company shall provide the reason for not spending the Amount in its Board Report: As per Directors Report
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objective and the policy of the Company. The CSR committee has formulated proper implementation and monitoring which is compliance with the CSR objective and policy of the Company.

**Sd/-**  
**Ajay Kumar Bansal**  
Member of CSR Committee

**Sd/-**  
**Anish Bansal**  
Chairman of CSR Committee

## Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate

S. No	Particulars	Name
1	Name of the subsidiary	HTL Metal Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4	Share capital (₹ In Lakhs)	236.00
5	Reserves & surplus	238.54
6	Total assets	5161.24
7	Total Liabilities	5161.24
8	Investments	-
9	Turnover	4610.30
10	Profit before taxation	165.47
11	Provision for taxation	
12	Profit after taxation	155.96
13	Proposed Dividend	-
14	% of shareholding	100

## Part "B": Associates and Joint Ventures

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

S.No	Name of Associates	Name
1	Latest audited Balance Sheet Date	-
2	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	-
6	Profit / Loss for the year	-
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	-



**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**HI-TECH PIPES LIMITED**  
CIN: U27202DL1985PLC019750  
Add: 505, Pearl Omaxe Tower,  
Netaji Subhash Place, Pitampura  
New Delhi- 110034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HI-TECH PIPES LIMITED ("the company") for the audit period covering from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of Hi-Tech Pipes Limited's books, documents, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year starting from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by HI-TECH PIPES LIMITED for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2009 (as applicable to the Small and Medium Enterprises ("SME"));

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\* and
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*;

\* Not applicable because company did not carry out the activities covered by the regulations/guidelines during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations mentioned hereunder:

*The Company had borrowed funds from banks and Financial Institutions and the necessary approvals for all the borrowings were accorded by passing a Board Resolution in the meetings of the Board of Directors of the company. However, necessary e-form MGT-14 was not filed by the company in compliance with the provisions of section 173 (3) of the Companies Act, 2013.*

**I further report that**

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.*

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that

1. *The provisions of (i) Sections 42 and 62(1)(c) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (collectively, the "CA 2013"); (ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended ("ICDR Regulations"); (iii) any other rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, stock exchanges and/or any other statutory / regulatory authority; (iv) the Listing Agreement entered into by the Company with the stock exchange, the company had made an offer of 6,00,000 (Six Lakh) Equity shares.*

*As per the representations made to us, the necessary compliance for issuance of securities could not be made*

*within the prescribed time under ICDR Regulations and the offer was not subscribed and thus the offer was ultimately withdrawn by the company.*

2. *The company had obtained the approval of its shareholders by way of passing of special resolution to increase its borrowing limits under the provisions of section 180(1)(c) of the Companies Act, 2013 and the due compliance was made by the company in this regard:*

**I further report that during the audit period there were no instances of:**

- a. Redemption/buyback of securities.
- b. Merger/amalgamation/reconstruction etc.
- c. Foreign technical collaborations.

Kiran Sharma & Co.  
Company Secretaries

Kiran Sharma  
Proprietor  
FCS: 4942  
COP: 3116

Date: 10/08/2017  
Place: Delhi

## Annexure VI

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non –Executive Directors	Ratio to Median Remuneration
Ms. Tanvi Kumar	N.A.
Ms. Anju Jain	N.A.
Ms. Neelima Jain	N.A.

Executive Director	Ratio to Median Remuneration
Mr. Ajay Kumar Bansal	15.16:1
Mr. Anish Bansal	9.10:1

- B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	%increase in remuneration in the financial year
Ms. Tanvi Kumar	N.A.
Ms. Anju Jain	N.A.
Ms. Neelima Jain	N.A.
Mr. Ajay Kumar Bansal	20%
Mr. Anish Bansal	25%
Ms. Jesme Tikoo ( w.e.f November 14,2016)	N.A.
Mr. Anish Bansal Chief Financial Officer	N.A.

- C. The percentage increase in median remuneration of employees in the financial year: 11%

- D. The number of permanent employees on the rolls of the Company: 342

- E. The explanation on the relationship between average increase in remuneration and Company performance:

The Profit after Tax for the financial year 2016-17 was increased by 59% as compared to last year and the aggregate remuneration of employees was increased by 11% over the previous year.

- F. The comparison of the remuneration of the key managerial personnel against the performance of the company.

	(` in Lacs)
Aggregate remuneration of the key managerial personnel (KMP) in financial year 2016-17	61.75
Revenue	59389.55
Remuneration of KMP (as a % of revenue)	0.103%
Profit before tax (PBT)	1317.60%
Remuneration of KMP (as % of PBT)	4.686%

- G. Variations in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year: N.A.

- H. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

% Increase/Decrease from last Public Offer	%
- IPO Price per share (February 2016)	50
- Market price as at March 31, 2016	129.15
% Increase from last IPO	158.3%

- I. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

**The average annual increase was: 12%**

Increase in the managerial remuneration for the year was: Nil

- J. Comparison of each remuneration of the key managerial personnel against the performance of the Company

(₹ in Lacs)

	Mr. Ajay Kumar Bansal (Managing Director)	Mr. Anish Bansal (Whole Time Director)	Mr. Anish Bansal (CFO)	Ms. Jesme Tikoo (Company Secretary)
Remuneration in financial year 2016-17	36.00	24.00	-	1.75
Revenue	59389.55			
Remuneration as % of revenue	0.06	0.04		0.002
Profit Before Tax (PBT)	1317.60			
Remuneration (as % of PBT)	2.73	1.82	-	0.13

- K. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **None**



## CEO'S/CFO'S CERTIFICATE

**The Board of Directors  
Hi Tech Pipes Limited**

We certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**for Hi-Tech Pipes Limited**

**Ajay Kumar Bansal**  
**Chairman and Managing Director**

**Anish Bansal**  
**Director and CFO**

**Date: 30/05/2017**  
**Place: New Delhi**

# **STANDALONE FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

To  
The Members,  
HI-Tech Pipes Limited  
New Delhi

## Report on Financial Statements

We have audited the standalone Balance Sheet of **HI-TECH PIPES LIMITED**, which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Companies Act, 2013 and relevant rules made thereunder. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant of the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

And subject to above, give a true and fair view:-

- i) In the case of Balance Sheet, of the State of affairs of the Company as at March 31, 2017.
- ii) In the case of Statement of Profit & Loss, of the Profit of the Company for the period ended on that date.
- iii) In the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

## 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-1, a statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by Section 143(3) of the Act, we further report that:
  - a) We have 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 accounts, as required by law, have been kept by the Company, so far it appears from our examination of these books.
  - c) The Balance Sheet, Statement of Profit and Loss dealt with in this report are in agreement with the books of accounts.
  - d) In our opinion, Balance Sheet, the Statement of Profit and Loss comply with the 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 written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 2" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements, Refer Note 27 to the financial statement.
- ii) The Company did not have any long term contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the investor education and protection fund by the Company.
- iv) The Company has provided required disclosure in financial statements as to dealing in specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are accordance with books of accounts maintained by the Company. Refer to Note No. 41 to the financial statement.

For **N.C. Aggarwal & Co.**  
Chartered Accountants  
FRN. 003273N

**(Astha Aggarwal)**  
Partner  
M. No. 519192

Place : New Delhi  
Date : May 30, 2017



## Annexure- 1 To The Independent Auditor's Report

**Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; any material discrepancies were not noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies were not noticed. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the company has granted loans, secured or unsecured to one companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, were not, prima facie, prejudicial to interest of the company.
- (iv) In respect of loans, investments, guarantees, and security, necessary provision of section 185 & 186 of the Companies Act, 2013 have been complied with wherever applicable on the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year to which directives issued by the Reserve Bank of India and provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub – section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) As explained to us and as per the books and records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Wealth Tax,

Sales Tax, Excise duty, Cess and other statutory dues have been generally deposited with the appropriate authority.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us by the management and relied upon by us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Sales Tax, Excise duty & Cess, which have not been deposited on account of any dispute except the following Statutory dues, which have not been deposited on account of dispute and same is pending before appropriate authority as follows:

Sl. No.	Name of the Statute	Nature of Dues	Amount Disputed (in Lakhs)	Period to which dues Related	Authority where the dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The Constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been challenged.	128.98	November, 2008 to March 2011	Before the Supreme Court of India
2.	UP-VAT	Sales Tax- Penalty	0.56	2015-16	Before the Additional Commissioner (Appeal) of Commercial Tax Authority, Ghaziabad, Uttar Pradesh
3.	UP-VAT	Sales Tax	6.81	2011-12	
4.	UP-VAT	Sales Tax	4.30	2014-15	
5.	UP-VAT	Sales Tax	20.53	2012-13	
6.	UP-VAT	Sales Tax	22.74	2013-14	

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues bank or financial institutions. The Company did not have any outstanding in respect of debentures during the year.
- (ix) In our opinion and according to the information and explanations given by the management the company has no moneys raised by way of further public offer/debt instruments during the year.
- (x) Based upon the audit procedures performed for

the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

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

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or

private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company.

(xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as per the provisions of section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given by the management, provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to company.

**For N.C. Aggarwal & Co.**  
Chartered Accountants  
FRN. 003273N

**(Astha Aggarwal)**  
Partner  
M. No. 519192

Place : New Delhi  
Date : May 30, 2017

## Annexure- 2 To The Independent Auditor's Report

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 Hi-Tech Pipes Limited

We have audited the internal financial controls over financial reporting of Hi-Tech Pipes Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **N.C. Aggarwal & Co.**  
Chartered Accountants  
FRN. 003273N

**(Astha Aggarwal)**  
Partner  
M. No. 519192

Place : New Delhi  
Date : May 30, 2017

**STANDALONE BALANCE SHEET**

AS AT MARCH 31, 2017

(₹ in Lakhs)

DESCRIPTION	Note No.	31.03.2017	31.03.2016
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders Funds</b>			
(a) Share Capital	02	1,030.11	1,030.11
(b) Reserves and Surplus	03	6,449.37	5,601.94
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	04	3,198.06	3,210.54
(b) Deferred Tax Liabilities (net)	05	397.57	304.85
(c) Other Long Term Liabilities	06	1,021.64	953.79
(d) Other Long Term Provisions	07	58.71	63.32
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	08	10,890.73	10,336.80
(b) Trade Payables	09	5,266.23	3,744.60
(c) Other Current Liabilities	10	2,709.11	1,992.55
(d) Short-Term Provisions	11	725.16	705.34
<b>Total</b>		<b>31,746.69</b>	<b>27,943.84</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		6,659.98	5,511.70
(ii) Intangible Assets		10.23	4.93
(iii) Capital Work-in-Progress		301.16	651.19
(b) Non-current investments	13	301.10	-
(c) Long-Term Loans and Advances	14	1,223.70	510.57
(d) Other Non Current Assets		-	-
<b>Current Assets</b>			
(a) Inventories	15	11,563.76	10,172.09
(b) Trade Receivables	16	7,826.54	6,749.85
(c) Cash and Bank Balances	17	1,587.63	1,271.73
(d) Short-Term Loans and Advances	18	2,272.59	3,071.78
Significant Accounting Policies	01		
<b>Total</b>		<b>31,746.69</b>	<b>27,943.84</b>
The accompanying notes form an integral part of this financial statements.			

**For N.C. Aggarwal & Co.**Chartered Accountants,  
FRN: 003273N**Astha Aggarwal**

(Partner)

M.No. 519192

Place: New Delhi

Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**Managing Director  
DIN 01070123**Jesme Tikoo**

Company Secretary

**Anish Bansal**Director cum CFO  
DIN 00670250



**STANDALONE STATEMENT OF PROFIT & LOSS**

FOR THE PERIOD ENDED MARCH 31, 2017

(₹ in Lakhs except EPS)

DESCRIPTION	Note No.	31.03.2017	31.03.2016
<b>REVENUE</b>			
Revenue from Operations	19	66,354.96	56,647.33
Less: Excise Duty		7,218.96	6,252.57
		59,136.01	50,394.76
Other Income	20	253.54	97.17
<b>Total</b>	<b>A</b>	<b>59,389.55</b>	<b>50,491.93</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	49,366.42	40,623.67
Purchases of Stock-in Trade	22	3,064.60	3,528.56
Changes in Inventories of Finished Goods, Work in Progress and Stock-in Trade	23	(231.94)	(382.54)
Employee Benefits Expenses	24	994.26	849.51
Finance Costs	25	1,973.99	1,704.87
Depreciation and Amortization Expenses	26	612.43	579.39
Other Expenses	27	2,292.19	2,581.20
<b>Total</b>	<b>B</b>	<b>58,071.95</b>	<b>49,484.65</b>
Profit Before Exceptional, Extraordinary Items and Tax	(A-B)	1,317.60	1,007.28
Exceptional / Extraordinary Items			-
<b>Profit Before Tax</b>		<b>1,317.60</b>	<b>1,007.28</b>
<b>Less/ (Add) Tax Expenses:</b>			
Current Tax		342.79	247.31
Deferred Tax		92.72	110.34
Previous Year Adjustments		3.53	-
<b>Profit for the year</b>		<b>878.57</b>	<b>649.63</b>
<b>Earning Per Share</b>			
<b>- Basic</b>		<b>8.53</b>	<b>8.29</b>
<b>- Diluted</b>		<b>8.53</b>	<b>8.29</b>

The accompanying notes form an integral part of this financial statements.

**For N.C. Aggarwal & Co.**  
Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**  
(Partner)  
M.No. 519192

Place: New Delhi  
Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**  
Managing Director  
DIN 01070123

**Jesme Tikoo**  
Company Secretary

**Anish Bansal**  
Director cum CFO  
DIN 00670250

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extra Ordinary Activity	1,317.60	1,007.28
Add/(Less) Adjustments for:		
Depreciation	612.43	579.39
(Profit) / Loss on Sale of Assets	0.32	(0.40)
Interest Received	(206.87)	(96.77)
Finance Costs	1,973.99	1,704.87
Other Provisions	(17.96)	120.72
<b>Operating Profit Before Working Capital Changes</b>	<b>3,679.50</b>	<b>3,315.09</b>
Adjustments for:-		
Increase / (Decrease) Trade Payables	1,521.63	559.23
Increase / (Decrease) Current Liabilities	716.56	956.91
(Increase) / Decrease Trade Receivables	(1,076.69)	(1,440.04)
(Increase) / Decrease Inventories	(1,391.67)	(3,404.03)
(Increase) / Decrease Loans and Advances	794.07	267.88
Cash Generated from Operations	4,243.41	255.05
Direct Taxes Paid	(282.00)	(175.68)
<b>Net Cash Flow From Operating Activities</b>	<b>3,961.41</b>	<b>79.37</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Addition to /Advance for Capital Assets	(1,505.72)	(1,897.89)
Investment in Wholly Owned Subsidiary	(920.38)	
Sale of Fixed Assets	0.70	0.56
<b>Net Cash Flow From Investing Activities</b>	<b>(2,425.40)</b>	<b>(1,897.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds on issue of Equity Shares	-	1,316.82
Dividend Paid (Including taxes)	(62.28)	(45.61)
Increase/ (Decrease) in Long Term Borrowings	(12.48)	1,006.31
Increase/ (Decrease) in Short Term Borrowings	553.93	1,674.48
Increase/ (Decrease) in Other Long Term Liabilities	67.85	0.15
Interest Received	206.87	96.77
Interest Paid	(1,720.09)	(1,617.68)
Other Finance Costs	(253.91)	(87.19)
<b>Net Cash Flow Used In Financing Activities</b>	<b>(1,220.10)</b>	<b>2,344.05</b>
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)	<b>315.91</b>	<b>526.09</b>
Cash and Cash Equivalent at the Beginning of the Year	<b>1,271.73</b>	<b>745.64</b>
Cash and Cash Equivalent at the Closing of the Year	<b>1,587.63</b>	<b>1,271.73</b>

**Notes:**

- Cash & Cash Equivalent represents Cash & Bank Balances and deposit with Banks as per Note No.17
- Cash Flow Statement has been prepared under the "indirect method" as set out in the Accounting Standard (AS-3), "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the company.

**For N.C. Aggarwal & Co.**

 Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**  
(Partner)  
M.No. 519192

 Place: New Delhi  
Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**  
Managing Director  
DIN 01070123

**Jesme Tikoo**  
Company Secretary

**Anish Bansal**  
Director cum CFO  
DIN 00670250

# NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## Note 1: Significant Accounting Policies

### a. Basis of Preparation of Financial Statement

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention method.

### b. Use of Estimates:

These financial statements prepared in conformity with estimates and assumptions to be made that affect the reported amounts of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period of reporting. Differences between actual results and estimates are recognized in the period in which the results are materialized.

### c. Fixed Assets

#### 1) Tangible Assets

- i. Tangible assets are carried at cost, net of tax credit entitlement availed less accumulated depreciation. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are put to use.
- ii. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.
- iii. Pre-operative expenses including interest on borrowings for the capital goods, wherever applicable and any other cost incurred which is directly attributable to bringing the assets to its working condition for its intended use are treated as part of the cost of capital goods, hence capitalized.

#### 2) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any.

The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

### d. Depreciation

Depreciable amount for assets is the written down value of an asset, or other amount substituted for such asset, less its estimated residual value.

Depreciation on tangible fixed assets have been provided on depreciable amount on the written down value method as per the useful life prescribed in 'Schedule II' to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of assets has been assessed under based on technical advice and evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufactures warranties and maintenance support, etc.

Plant Machinery	– 15 to 25 Years.
Factory Building	– 30 Years.
Office Equipment	– 5 Years.
Vehicle	– 10 Years.
Furniture & Fittings	– 10 Years.
Computer	– 3 Years.

Intangible assets are carried at cost and amortized on a WDV Basis so as to reflect the pattern in which the asset's economic benefits are consumed.

The Computer software is amortized over a period of five financial years.

### e. Investment

Investments, which are not readily realizable and intended to be held for more than one year from the date on which such investments are made, are classified as Non-current Investments. All other investments are classified as short-term investments. On initial recognition, all long term investments are measured at cost subject to any permanent diminution. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are valued at lower of cost and fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### f. Inventories Valuation

Inventories comprise all cost of purchase, conversion

and other cost incurred in bringing the inventories to their present location and conditions.

Raw Materials and spares are valued at the cost and net of modvat credit availed.

Work-in-progress is valued at estimated cost.

Finished goods at estimated (inclusive of excise) cost or market value whichever is lower.

Scraps are valued Net estimated realizable value.

The basis of valuation of inventories in respect to finished goods has been taken to conform to the revised standard on valuation of Inventories (AS-2) issued by the Institute of Chartered Accountants of India to include excise duty thereon, which has no impact on the profit of the company.

#### **g. Excise Duty**

Excise duty liability on finished goods manufactured and lying in the factory is accounted for and the corresponding amount is considered for valuation thereof.

#### **h. Revenue Recognition**

Sale of goods is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax, value added tax. Sales net of excise duty and inter-divisional transfer is also disclosed separately. Revenue from services is recognized when the services are completed. Other income is accounted on received and accrual basis.

#### **i. Foreign Exchange Transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within statement of profit and loss account. Current assets and current liabilities in foreign currency outstanding at the yearend are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the statement of profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in statement of profit and loss account over the life of the contract.

#### **j. Borrowing Cost**

Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the

period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets.

#### **k. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **l. Cash Flow Statement**

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 operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

#### **m. Impairment of Assets:**

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 asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

#### **n. Employee Benefits**

- (i) Short term employee benefits are recognized as expenses at the undiscounted amount in profit and losses account of the year in which the related services is rendered.
- (ii) Long term employee's benefits: liabilities towards gratuity and un-availed sick leaves has been provided on the basis of actuarial valuation.

#### **o. Income Tax**

Tax expenses comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities. Using the applicable tax rates.

Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets,

in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount

of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period."

#### p. Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilization in the Securities Premium Account and balance if any remained treated as expenses in the statement of profit and loss.

## 2. SHARE CAPITAL

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Authorised :-		
11,000,000 Equity Shares of ` 10/- each	1,100.00	1,100.00
Issued Subscribed & Paid Up:		
10,301,100 (Previous Year 10,301,100) Equity		
Shares of ` 10/- each Fully Paid Up	1,030.11	1,030.11
	<b>1,030.11</b>	<b>1,030.11</b>

### 2.1 The Movement of Share Capital in Subscribed and Paid up Share Capital is set out as below

(` in Lakhs)

Particulars	As on 31.03.2017	As on 31.03.2016
At the beginning of the year	10,301,100	3,785,550
Add: Bonus Equity Shares Issued during the year*	-	3,785,550
Add: Fresh Equity Shares Issued during the year**	-	2,730,000
Outstanding at the end of the year	<b>10,301,100</b>	<b>10,301,100</b>

\*During the financial year 2015-16 37,85,550 Equity Shares of ` 10/- each were issued and allotted as bonus share in the ratio of 1: 1 @ ` 10/- Per share fully paid

\*\*During the financial year 2015-16 Fresh 27,30,000 Equity Shares of ` 10/- each were issued and allotted @ ` 50/- Per share fully paid (Face Value of ` 10/- each at premium of ` 40/- per share)

### 2.2 Shares allotted as fully paidup pursuant to contracts without payments being received in cash during the period of five years immediately preceding as on March 31, 2017)

(` in Lakhs)

Particulars	Year (Aggregate No. of Shares)	
	2015-16	2013-14
Equity Shares:		
Fully paidup by way of bonus shares	<b>37,85,550</b>	<b>23,40,000</b>

### 2.3 Particulars of Securities convertible into Equity Share : NIL

### 2.4 The rights, powers and preference relating to each class of Share and the qualifications limitations

Company. The Principal rights are as follows :

The company has only one class of Equity Share having a nominal value of ` 10/- each

- Voting right shall be in the same proportion as the capital paid up on such Equity Share bears to the total paid up capital of the Company.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders.
- In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



## 2.5 Details of shareholders holding more than 5% shares in the Company

SI No.	Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
		No. of Shares	% holding	No. of Shares	% holding
1	Ajay Kumar Bansal	1491900	14.48%	1491900	14.48%
2	Parveen Bansal	1019200	9.89%	1019200	9.89%
3	Vipul Bansal	717600	6.97%	717600	6.97%
4	Anish Bansal	637600	6.19%	637600	6.19%
5	AKS Buildcon Pvt. Ltd.	552000	5.36%	552000	5.36%
6	Ajay Kumar & Sons (HUF)	520800	5.06%	520800	5.06%
7	Hi- Tech Agrovision Pvt. Ltd.	516000	5.01%	516000	5.01%
8	Shweta Bansal	541200	5.25%	541200	5.25%

## 3. RESERVE AND SURPLUS

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>General Reserve</b>		
As per last Financial Statements	2,845.60	2,822.65
Add: Transfer from Statement of Profit & Loss Account	100.00	100.00
(Less): Balance utilised for issue of Bonus Shares		77.06
<b>Total (A)</b>	<b>2,945.60</b>	<b>2,845.60</b>
<b>Securities Premium Reserve</b>		
As per last Financial Statements	1,686.37	944.05
Add: On issue of Equity Shares		1,092.00
Less: Amount utilised for issue of Bonus shares		301.50
Less: Share Issue Expenses and Listing thereof		48.18
<b>Total (B)</b>	<b>1,686.37</b>	<b>1,686.37</b>
<b>Surplus in the Statement of Profit &amp; Loss Account</b>		
As per last Financial Statements	1,069.97	599.92
Add : Profit during the year	878.57	649.63
Less: Appropriations		
Proposed Dividend <sup>#</sup>	25.75	51.51
Dividend Distribution Tax on Proposed Dividend	5.39	10.78
Transfer to General Reserve	100	100.00
Provision for Corporate Social Responsibility*		17.30
<b>Total (C)</b>	<b>1,817.40</b>	<b>1,069.97</b>
<b>Total A+B+C</b>	<b>6,449.37</b>	<b>5,601.94</b>

<sup>#</sup> Dividend proposed ` 0.25 Per share (Previous Year ` 0.50/- per share.) subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

\* Provisions for CSR for the financial year ended March 31, 2017 amounting to ` 14.43 Lakhs in included is other expenditures refer Note No. 27.1, and hence accounted for in Profit & Loss Statement.

## 4. LONG TERM BORROWINGS

## Secured (Note 4.1)

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>Term Loan</b>		
From Banks	2,550.49	2,460.13
From Others	30.00	35.68
<b>Vehicle Loan</b>		
Vehicle Loan	26.37	4.61
<b>Total (A)</b>	<b>2,606.87</b>	<b>2,500.41</b>
<b>Unsecured</b>		
From Directors	424.91	235.43
Intercompany Borrowings;		
From Related Parties	71.32	12.54
From Other Bodies Corporate	94.96	462.15
<b>Total (B)</b>	<b>591.19</b>	<b>710.12</b>
<b>Total (A)+(B)</b>	<b>3,198.06</b>	<b>3,210.54</b>

## 4.1 Term Loan Secured as follows

(₹ in Lakhs)

Details of Security	Repayment Terms	Long Term Debts	Current Maturities	Long Term Debts	Current Maturities
Term Loan from Banks					
Exclusive Charge on Plant and Machinery at Plot No. 10 and 16 Sikandrabad, second charge on entire current assets (both present and future) at Sikandrabd, U.P. and personal guarantee of promoter directors.	Repayable in monthly instalments of ` 7.02 Lacs last instalment due in Oct 2018	56.24	84.24	144.12	84.24
Exclusive Charge on Immovable Property commercial land and building situated 130, Sector-44, Gurgaon, Haryana and personal guarantee of promoters directors.	Repayable in Monthly Instalments of ` 8.33 Lacs and last Instalment due on March 2027	767.80	100.00	875.00	100.00
	Repayable in Monthly Instalments of ` 4.17 Lakhs and last instalment due on October 2026	429.17	50.00	-	-
	Repayable in Monthly Instalments of ` 22.00 Lacs and Last Instalment due on January 2018	-	170.00	170.00	264.00
	Repayable in Monthly Instalments of ` 16.13 Lakhs and last instalment due on December 2017.	-	119.35	-	-
	Repayable in Monthly Instalments of ` 22.25 Lakhs and last instalment due on December 2017.	-	202.13	-	-
First charge on entire fixed assets of the (present and future) situated at Plot No. E-6, Gujarat Industrial area, Sanand, Gujarat unit of the company and property situated at E-2/4 Land-2, Jaypee Greens, Noida. Further secured by second charge on entire current assets of the Sanand, Gujarat unit of the company. These credit facilities are further secured by personal guarantee of promoter-directors of the comapny.	Repayable in unequal quarterly instalments of ` 32.00 Lakhs to ` 56.00 Lakhs commencing from August 2016 and last instalment due in November 2022.	856.00	136.00	992.00	128.00
	Repayable in equal quarterly instalments of ` 15.00 Lakhs commencing from February 2017 and last instalment due in November 2021.	225.00	60.00	-	-
Equitable mortgage on Property situated at 3/4 Jaypee Greens, Noida, Gautam Budha Nagar, Uttar Pradesh	Repayable in Equated Monthly Instalments and Last Instalment due on Feb 2020	136.36	54.07	190.18	54.07
	Repayable in Equated Monthly Instalments and Last Instalment due on Feb 2020	3.91	1.63	5.55	1.63
	Repayable in Equated Monthly Instalments and Last Instalment due on Feb 2020	76.01	7.27	83.27	7.27
Equitable mortgage on respective Vehicles	All loans have 36 monthly installments commencing from various dates and ending on various dates.	2.24	-	2.24	1.26
		2.37	-	2.37	1.24
		8.62	1.26	-	-
		13.15	1.24	-	-
Term Loan From Others					
Equitable mortgage on Property situated at 1F-CS -42&43 First Floor, Ansal Plaza, Vaishali, Ghaziabad, Uttar Pradesh	Repayable in Monthly Instalments of ` 0.81 Lacs (including interest) Last Instalment due on Nov 2021	30.00	5.14	35.68	5.14

\*Principle Amount of installment due in next following year respectively on long term debts are separately disclosed under Other Current Liabilities as Current Maturities on Long Term Debts.

## 5. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Deferred Tax Liabilities on Depreciation	399.18	304.85
Deferred Tax Assets on Employee Benefits	1.61	-
<b>Total (A-B)</b>	<b>397.57</b>	<b>304.85</b>

Movement of deferred tax provision/adjustment in accordance with Accounting Standard 22 for taxes on income issued by the Institute of Chartered Accountants of India.

**6. OTHER LONG TERM LIABILITIES**

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>Security Deposits from Agents/Dealers</b>		
Strategic Dealers	930.00	850.00
Other Deposits	91.64	103.79
<b>Total</b>	<b>1,021.64</b>	<b>953.79</b>

**7. OTHER LONG TERM PROVISIONS**

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Provisions for Employee Benefits	58.71	63.32
Refer Note No.29 Employees Benefits		
<b>Total</b>	<b>58.71</b>	<b>63.32</b>

**8. SHORT TERM BORROWINGS**

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>Secured</b>		
<b>Loan Repayable on demand</b>		
From Banks	10,890.73	10,336.80
<b>Total</b>	<b>10,890.73</b>	<b>10,336.80</b>

Working Capital loans are secured by :-

8.1 Working Capital facilities availed at Sikandrabad plant are secured by first pari passu charge on entire current assets Sikandrabad unit of the company, first pari passu mortgage charge on the properties situated A-10 Industrial Area Sikandrabad and A-16 Industrial Area Sikandrabad and Second pari passu charge on movable fixed assets of the company. These credit facilities are further secured by personal guarantee of promoter-directors of the company. Further 29,600 equity shares of the company held by promoter -director kept as collateral by one bank.

8.2 Working Capital loan availed at Sanand, Gujarat plant are secured by first charge on entire current assets of the (present and future) Sanand Unit of company, Second charge on the properties situated Plot No. E-6, Gujarat Industrial area, Sanand, Gujarat and property situated at E-2/4 Land-2, Jaypee Greens, Noida. These credit facilities are further secured by personal guarantee of promoter-directors of the company.

**9. TRADE PAYABLE**

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Creditors for Raw Material	5,167.35	3,490.12
Sundry Creditors for Others	98.88	254.48
<b>Total</b>	<b>5,266.23</b>	<b>3,744.60</b>

**10. OTHER CURRENT LIABILITIES**

(` in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Current Maturities on Long Term Debts (Note 10.1)	992.33	649.47
Interest Accrued But not Due	34.46	11.84
Advance from Customers	671.56	615.09
Other Outstanding Liabilities	599.75	422.64
Statutory Dues	170.02	117.01
Unclaimed Dividend	0.46	-
Creditors for Fixed Assets	240.54	176.50
<b>Total</b>	<b>2,709.11</b>	<b>1,992.55</b>

10.1 Principle Amount of installment due on long term debts in next following 12 months.

**11. SHORT TERM PROVISIONS**

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
Provision for Income Tax	191.69	127.38
Other Provisions	37.42	17.04
Excise Duty on Uncleared Goods	464.91	498.64
Proposed Dividend	25.75	51.51
Tax on Dividend	5.39	10.78
<b>Total</b>	<b>725.16</b>	<b>705.34</b>

**12. FIXED ASSETS**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2016	Addition	Sale/ trf	As on 31.03.2017	As on 01.04.2016	Dep for the period	Write off	As on 31.03.2017	As on 31.03.2017	As on 01.04.2016
<b>(i) Tangible Fixed Assets</b>										
I Land	849.35	109.10	-	958.45	-	-	-	-	958.45	849.35
II Office Building	528.85	61.93	-	590.78	79.66	24.72	-	104.38	486.40	449.19
III Factory Shed & Building	1,335.95	289.72	-	1,625.67	354.06	96.79	-	450.86	1,174.81	981.89
IV Plant & Machinery	5,722.08	1,223.70	-	6,945.78	2,724.03	397.56	-	3,121.59	3,824.19	2,998.05
V Office Equipment	109.20	10.59	-	119.78	73.11	15.14	-	88.26	31.53	36.08
VI Computer	35.63	9.29	-	44.92	28.39	5.79	-	34.18	10.73	7.24
VII Furniture & Fixtures	179.88	4.07	-	183.95	84.80	26.81	-	111.62	72.33	95.07
VIII Vehicle	469.49	47.40	5.44	511.45	374.67	39.68	4.42	409.92	101.53	94.82
IX Rolls	60.53	-	-	60.53	60.53	-	-	60.53	-	-
<b>Total</b>	<b>9,290.95</b>	<b>1,755.80</b>	<b>5.44</b>	<b>11,041.31</b>	<b>3,779.25</b>	<b>606.50</b>	<b>4.42</b>	<b>4,381.34</b>	<b>6,659.98</b>	<b>5,511.70</b>
<b>(ii) Intangible Assets</b>	<b>7.79</b>	<b>11.23</b>	<b>-</b>	<b>19.03</b>	<b>2.87</b>	<b>5.92</b>	<b>-</b>	<b>8.79</b>	<b>10.23</b>	<b>4.93</b>
<b>(iii) Capital Work-in-Progress</b>	<b>651.19</b>	<b>1,098.93</b>	<b>1,448.96</b>	<b>301.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301.16</b>	<b>651.19</b>
<b>Grand Total</b>	<b>9,949.94</b>	<b>2,865.96</b>	<b>1,454.40</b>	<b>11,361.49</b>	<b>3,782.12</b>	<b>612.43</b>	<b>4.42</b>	<b>4,390.13</b>	<b>6,971.37</b>	<b>6,167.82</b>
<b>Previous Year</b>	<b>8,317.50</b>	<b>3,176.90</b>	<b>1,544.46</b>	<b>9,949.94</b>	<b>3,202.73</b>	<b>579.39</b>	<b>-</b>	<b>3,782.12</b>	<b>6,167.82</b>	<b>5,114.77</b>

**13. NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Investment in Unquoted Shares of Subsidiary Company (At Cost)		
23,60,000 Equity Shares face value of ₹ 10 each of HTL Metal Private Limited	301.10	-
(Previous Year Nil Shares of HTL Metal Private Limited)		
<b>Total</b>	<b>301.10</b>	<b>-</b>

**13.1 INVESTMENT IN HTL METAL PVT LTD.**

The Company has acquired 100% shareholdings from the erstwhile shareholder of the M/s HTL Metal Private Limited consisting 5,00,000 equity shares of ₹ 10 each, amounting to total paid up share capital of ₹ 50,00,000/- on August 10, 2016 and post acquisition it becomes Wholly Owned Subsidiary of the Company. The Company further assisted its wholly owned subsidiary i.e. M/s HTL Metal Private Limited, by providing unsecured loan, part of which subsequently converted into equity and as such 18,60,000 equity shares of ₹ 10 each at a premium of ₹ 3.5 each per share (total consideration ₹ 13.50/- per share) credited as fully paid up, on a consideration of ₹ 2,51,10,000/- (Two Crore Fifty One Lakh Ten Thousand Only) on February 16, 2017.

**14. LONG TERM LOANS AND ADVANCES**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Advance for Capital Goods	354.00	265.28
Security and other Deposits	250.42	245.29
Loan to Wholly Owned Subsidiary (Note 14.1)	619.28	-
<b>Total</b>	<b>1,223.70</b>	<b>510.57</b>

Note: 14.1 The company has provided unsecured loan to its wholly owned subsidiary M/S HTL Metal Pvt Ltd, outstanding as on March 31, 2017 ₹ 619.28 Lakhs, and maximum balance outstanding during the year was ₹ 873.38 Lakhs.

**15. INVENTORIES**

(Valued and Certified by Management)

(₹ in Lakhs)

	31.03.2017	31.03.2016
Raw Material	4,254.12	3,262.86
Finished Goods	4,915.28	4,891.10
Stock in Transit	9.29	5.79
Work-in-progress	551.83	430.05
Rejection & Scrap	433.13	390.17
Stores, Consumables and Spares	148.49	142.28
Others (Immovable Properties)	1,251.62	1,049.84
<b>Total</b>	<b>11,563.76</b>	<b>10,172.09</b>

**16. TRADE RECEIVABLE**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Unsecured, Considered Good		
- Outstanding for more than six months	165.43	168.23
- Others	7,661.11	6,581.62
<b>Total</b>	<b>7,826.54</b>	<b>6,749.85</b>

**17. CASH AND BANK BALANCES**

(₹ in Lakhs)

	31.03.2017	31.03.2016
<b>Cash and Cash Equivalents</b>		
Cash in hand	30.78	62.07
Banks Balance	66.23	187.69
<b>Total (A)</b>	<b>97.01</b>	<b>249.76</b>
<b>Other Bank Balances</b>		
Unpaid Dividend Account	0.46	-
<b>Term Deposits</b>		
(In Margin money with maturity more than 3 months but less than 12 months at inception)	1,490.17	1,021.96
<b>Total (B)</b>	<b>1,490.62</b>	<b>1,021.96</b>
<b>Total (A+B)</b>	<b>1,587.63</b>	<b>1,271.73</b>

**18. SHORT TERM LOANS AND ADVANCES**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Advance Recoverable in Cash or in kind or for value to be considered good		
Advance to Suppliers and Others	1,598.61	2,116.72
Balance with Revenue Authorities	660.57	932.12
Prepaid Expenses	13.41	22.94
<b>Total</b>	<b>2,272.59</b>	<b>3,071.78</b>

**18.1. DEPOSIT UNDER PROTEST**

The Company has deposited Entry Tax of Uttar Pradesh ₹ 229.17 Lakhs and VAT of Uttar Pradesh ₹ 61.75 Lakh under protest.



**19. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

	31.03.2017	31.03.2016
<b>A. Sale of Products</b>		
Domestic Sales	66,123.00	56,422.68
Export Sales	43.44	-
<b>Total (A)</b>	<b>66,166.45</b>	<b>56,422.68</b>
<b>B. Other Operating Revenues</b>		
Sales of Services		
- Rent	130.47	195.12
- Job Work	58.05	29.53
<b>Total (B)</b>	<b>188.52</b>	<b>224.65</b>
<b>Total (A+B)</b>	<b>66,354.96</b>	<b>56,647.33</b>

**19.1 PARTICULARS OF SALE OF PRODUCTS**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Steel Tubes Products	48,633.62	31,219.46
CR Products	16,043.82	23,980.81
Others	1,489.01	1,222.41
<b>Total</b>	<b>66,166.45</b>	<b>56,422.68</b>

**20. OTHER INCOME**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Interest Income	206.87	96.77
Profit on Sale of Assets	46.67	0.40
<b>Total</b>	<b>253.54</b>	<b>97.17</b>

**21. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Indigenous Raw Material	48,345.22	38,594.27
Imported Raw Material	-	1,551.17
Indigenous Stores	1,021.21	478.24
<b>Total</b>	<b>49,366.42</b>	<b>40,623.67</b>

**21.1 PARTICULARS OF RAW MATERIALS CONSUMED**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Coil/ Skelp	47,289.01	39,127.42
Zinc & Others	1,056.21	1,018.02
<b>Total</b>	<b>48,345.22</b>	<b>40,145.43</b>

**22. COST OF STOCK IN TRADE**

(₹ in Lakhs)

	31.03.2017	31.03.2016
HR Coil/ Skelp	3,064.60	3,528.56
<b>Total</b>	<b>3,064.60</b>	<b>3,528.56</b>

**23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN TRADE**

(₹ in Lakhs)

	31.03.2017	31.03.2016
<b>Opening Stock</b>		
Finished Goods	4,891.10	4,103.63
Rejection and Scrap	390.17	715.57
Work-in-Progress	430.05	406.00
	<b>5,711.32</b>	<b>5,225.20</b>
<b>Closing Stock</b>		
Finished Goods	4,924.57	4,891.10
Rejection and Scrap	433.13	390.17
Work-in-Progress	551.83	430.05
	<b>5,909.53</b>	<b>5,711.32</b>
Increase/(Decrease) of Excise Duty on account of change in Closing Stock of Finished Goods	(33.73)	103.58
<b>(Increase)/Decrease in stock</b>	<b>(231.94)</b>	<b>(382.54)</b>

**24. EMPLOYEES BENEFITS EXPENSES**

(` in Lakhs)

	31.03.2017	31.03.2016
Salaries, Wages, Bonus and Other Benefits	936.48	779.85
Staff Welfare Expenses	26.71	25.34
Provisions for Employees Benefits	3.70	24.61
Contribution towards Provident & Other Funds	27.36	19.71
<b>Total</b>	<b>994.26</b>	<b>849.51</b>

**25. FINANCE COSTS**

(` in Lakhs)

	31.03.2017	31.03.2016
Interest Expenses	1,720.09	1,617.68
Others Borrowing Cost	253.91	87.19
<b>Total</b>	<b>1,973.99</b>	<b>1,704.87</b>

**26. DEPRECIATION AND AMORTIZATION**

(` in Lakhs)

	31.03.2017	31.03.2016
Depreciation Expenses	606.50	576.76
Amortization of Intangible Assets	5.93	2.63
<b>Total</b>	<b>612.43</b>	<b>579.39</b>

**27. OTHER EXPENSES**

(` in Lakhs)

	31.03.2017	31.03.2016
Power and Fuel	1,179.58	1,412.83
Job Work Expenses	51.66	18.63
Insurance	14.39	18.92
<b>Repairs to:</b>		
Machinery	12.66	128.50
Buildings	14.63	3.48
Others	8.83	3.39
Sales Promotion	67.48	25.12
Commission	161.72	211.43
Freight and Cartage Outward	347.58	393.81
Fee & Subscription	19.27	16.76
Travelling and Conveyance	87.81	79.66
Rent	14.60	10.86
Legal or Professional Consultation Charges	51.84	48.24
Vehicle Running and Maintenance	36.85	63.32
Security Services	42.57	39.69
Others (Note 27.1)	180.72	106.56
<b>Total</b>	<b>2,292.19</b>	<b>2,581.20</b>

**Note: 27.1** Provisions for CSR for the financial year ended March 31, 2017 amounting to ` 14.43 Lakhs in included in Others.

**NOTE 28: CONTINGENT LIABILITIES**

- Corporate Guarantees given by the Company to its Wholly Owned Subsidiary i.e. HTL Metal Private Limited: Current Year(` 25 Crore) Previous Year (NIL)
- Estimated amount of contracts remaining to be executed on capital account and not provided or (net of advance): Current Year(NIL) Previous Year (` 11.58 Lakhs)
- Other monies for which company of contingently liable ` 15.10 Lakhs (Previous year ` 371.14 Lakhs).
- The Company challenged the validity of Entry Tax (on certain purchases) imposed by UP VAT Authorities during the financial year ended March 31, 2012 and petition is still pending with Hon'ble Supreme Court of India as company's petition was rejected by the Hon'ble High Court of Allahabad.

However in compliance with the Hon'ble Supreme Court's directions Company paid a sum of ` 229.17 Lakhs to the department and provided Bank Guarantee of ` 128.98 Lakhs (against the total liability accrued of ` 304.45 Lakhs on account of Entry Tax after rejection of Company's petition by Hon'ble High Court of Allahabad). The Company is of the opinion that eventually no liability shall accrue to the company in this matter and as hence not provided for this Entry Tax Liability on purchases.

**NOTE 29: RETIREMENT BENEFITS****DETAILS OF DEFINED BENEFITS PLANS AS UNDER:**

(₹ in Lakhs)

<b>I.</b>	<b>Change in present value of obligation</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Present value of obligation as at the beginning of the period	62.60	42.02
b)	Acquisition adjustment	--	--
c)	Interest cost	4.66	3.36
d)	Current service cost	16.42	10.67
e)	Past service cost	--	--
f)	Benefits paid	(3.03)	--
g)	Actuarial (gain)/loss on obligation	(17.38)	6.55
h)	Present value of obligation as at the end of period	63.27	62.60

(₹ in Lakhs)

<b>II.</b>	<b>Changes in the fair value of plan assets</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Fair value of plan assets at the beginning of the period	--	--
b)	Acquisition adjustment	--	--
c)	Expected return on plan assets	--	--
d)	Contributions	--	--
e)	Benefits paid	--	--
f)	Actuarial gain/(loss) on plan assets	--	--
g)	Fair value of plan assets at the end of the period	--	--

(₹ in Lakhs)

<b>III.</b>	<b>Fair value of plan assets</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Fair value of plan assets at the beginning of the period	--	--
b)	Acquisition adjustment	--	--
c)	Actual return on plan assets	--	--
d)	Contributions	--	--
e)	Benefits paid	--	--
f)	Fair value of plan assets at the end of the period	--	--

(₹ in Lakhs)

<b>IV.</b>	<b>Actuarial gain / loss recognized</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Actuarial gain/(loss) for the period - Obligation	17.38	(6.55)
b)	Actuarial (gain)/loss for the period - Plan Assets	--	--
c)	Total (gain)/loss for the period	(17.38)	6.55
d)	Actuarial (gain) / loss recognized in the period	(17.38)	6.55
e)	Unrecognized actuarial (gains) / losses at the end of period	--	--

(₹ in Lakhs)

<b>V.</b>	<b>The amounts to be recognized in Balance Sheet and Statement of P &amp; L A/C</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Present value of obligation as at the end of the period	63.27	62.60
b)	Fair value of plan assets as at the end of the period	--	--
c)	Funded status / Difference	(63.27)	(62.60)
d)	Excess of actual over estimated	--	--
e)	Unrecognized actuarial (gains)/losses	--	--
f)	Net asset/(liability) recognized in balance sheet	(63.27)	(62.60)

(₹ in Lakhs)

<b>VI.</b>	<b>Expense recognized in the statement of P &amp; L A/C</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Current service cost	16.42	10.67
b)	Past service cost	--	--
c)	Interest cost	4.66	3.36
d)	Expected return on plan assets	--	--
e)	Net actuarial (gain)/ loss recognized in the period	(17.38)	6.55
f)	Expenses recognized in the statement of profit & losses	3.70	20.58

(₹ in Lakhs)

<b>VII.</b>	<b>Reconciliation statement of expense in the statement of P &amp; L A/C</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
a)	Present value of obligation as at the end of period	63.27	62.60
b)	Present value of obligation as at the beginning of the period	62.60	42.02
c)	Benefits paid	3.03	--
d)	Actual return on plan assets	--	--
e)	Acquisition adjustment	--	--
f)	Expenses recognized in the statement of profit & losses	3.70	20.58

(₹ in Lakhs)

<b>VIII.</b>	<b>Movements in the liability recognized in the Balance Sheet</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
a)	Opening net liability	62.60	42.02
b)	Expenses as above	3.70	20.58
c)	Benefits paid	(3.03)	--
d)	Actual return on plan assets	--	--
e)	Acquisition adjustment	--	--
f)	Closing net Liability	63.27	62.60

(₹ in Lakhs)

<b>IX.</b>	<b>The Major categories of plan assets</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Government of India Securities	--	--
b)	High Quality Corporate Bonds	--	--
c)	Equity Shares of listed companies	--	--
d)	Property	--	--
e)	Funds Managed by Insurer	--	--
	<b>Total</b>	<b>--</b>	<b>--</b>

**X. Expected company contributions for next year is ₹ Nil/-.**

(₹ in Lakhs)

<b>XI.</b>	<b>Current / Non Current Liability</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a)	Current liability	6.80	5.62
b)	Non-Current liability	56.47	56.98
c)	<b>Net Liability</b>	<b>63.27</b>	<b>62.60</b>

**Note 30:** Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any which are not likely to be material, will be adjusted at the time of confirmation.

**Note 31:** In the opinion of the management, the realisable value of current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.

### **Note 32: SEGMENT REPORTING**

Based on guiding principle given in Accounting Standard 17 'Segment reporting' Issued by the Institute of Chartered Accountants of India.

#### **i. Information about Primary Segment (Business Segment):**

- From the manufacturing business of Steel and Engineering Goods i.e. Steel Coils, Pipes & Tubes, MS flats, W Beams etc. the company earned a Earning before depreciation, interest and tax ₹ 3,765.12/- Lakhs for reporting period i.e. from April 1, 2016 to March 31, 2017, (Previous year i.e. Financial year ended 31.03.2016, ₹ 1433.73/- Lakhs) on a Turnover of ₹ 59,212.42/- Lakhs (Previous year ₹ 50,296.81/- Lakhs).
- From the business of immovable properties the Company earned gross rental income & profit on sale of property (for reporting period i.e. from April 1, 2016 to March 31, 2017) of ₹ 177.13/- Lakhs (Previous year i.e. Financial year ended 31.03.2016, including turnover of Property ₹ 195.12/- Lakhs) and after incurring direct expenses thereto the Net Profit before Tax and Depreciation is ₹ 137.36/- (Previous year ₹ 179.70/- Lakhs)

#### **ii. Secondary Segment (Geographical Segments)-Not Applicable as more than 99% revenues from domestic operations.**

**Note 33: AUDITOR'S REMUNERATION AND EXPENSES CHARGES TO ACCOUNTS:**

(₹ in Lakhs)

Particulars	2016-17	2015-16
Statutory Audit Fee (Excluding Services Tax)	1.00	1.00
Tax Audit Fee (Excluding Services Tax)	.24	.24
<b>Total</b>	<b>1.24</b>	<b>1.24</b>

**Note 34: C.I.F VALUE OF IMPORTS**

(₹ in Lakhs)

Particulars	2016-17	2015-16
Raw Material	NIL	1551.17
Consumable Stores	NIL	NIL
Capital Goods	NIL	NIL

**Note 35: Value of consumption of imported and indigenous raw materials, spares and the percentage of the total consumption**

Particulars	2016-17 (In ₹)	2016-17 (In %)	2015-16 (In ₹)	2015-16 (In %)
<b>(A) Raw Materials</b>				
Imported	NIL	-	1551.17	3.85
Indigenous	49366.42	100	38697.85	96.15
<b>Total</b>	<b>49366.42</b>	<b>100</b>	<b>40249.01</b>	<b>100</b>
<b>(B) Stores &amp; Spares</b>				
Indigenous	1021.21	100	478.24	100
Imported	NIL	-	NIL	-
<b>Total</b>	<b>1021.21</b>	<b>100</b>	<b>478.24</b>	<b>100</b>

**Note 36: EARNING IN FOREIGN CURRENCY**

(₹ in Lakhs)

Particulars	2016-17	2015-16
Export Sales Excluding Deemed Export (FOB Value)	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

**Note 37: EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lakhs)

Particulars	2016-17	2015-16
Travelling Expenditure	19.31	8.97
<b>Total</b>	<b>19.31</b>	<b>8.97</b>

**Note 38: RELATED PARTIES TRANSACTIONS:**

In accordance with the Accounting Standard 18, the disclosure required is given below:

- a) List of related parties and relationship (as identified by the management)
  - i) Parties where control exists:
    - HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary)
  - ii) Key Management Personnel:
    1. Sh. Ajay Kumar Bansal      Managing Director
    2. Sh. Anish Bansal          Whole Time Director
  - iii) Relatives of Key Management Personnel:
    1. Vipul Bansal                Relative of Managing Director
    2. Rakesh Bansal              Relative of Managing Director
  - iv) Associate enterprise over which key management personnels and their relative exercise significant influence, whom transaction have been taken place during the year:
    1. JNG Construction Pvt. Ltd
    2. Hi-Tech Agrovision Pvt. Ltd.



**DETAIL OF TRANSACTIONS WITH RELATED PARTIES**

(` in Lakhs)

S.No.	Nature of Transaction	Wholly Owned Subsidiary Company		Key Management Personnel		Relatives of Key Management Personnels		Enterprises have significant influence of Key Management	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Remuneration	-	-	60.00	48.00	-	-	-	-
2	Salary	-	-	-	-	24.00	6.00	-	-
3	Interest Paid	-	-	9.88	29.53	4.81	-	-	1.38
4	Interest Earned	116.32	-	-	-	-	-	-	-
5	Loan Accepted	-	-	-	-	-	-	-	-
6	Outstanding balance	619.28	-	(424.91)	(235.43)	(59.37)	-	(13.49)	(12.54)

In respect of above parties, there is no provision for doubtful debt as on 31.03.2017 and no amount is written off or written back during the year in respect of debt/loan and advances due from/to them.

Credit facilities of the company is further collaterally secured by the personal guarantee of the Key management personnel as declared in Note no 4.1 and 7.1.

**Note 39: EARNINGS PER SHARE**

Basic and Diluted Earnings per Share are computed in accordance with AS 20- Earning Per Share. Basic earnings per Equity Share are computed by dividing net profit after tax by the weighted average number of Equity Shares outstanding during the year. The Diluted Earnings per Share is computed using the weighted average number of Equity Shares and Diluted Potential Equity Shares outstanding during the year.

All figures in Lakhs except EPS

Particulars	2016-17	2015-16
<b>Basic</b>		
Weighted average no. of Equity Shares outstanding	103.01	78.32
Net Profit After Tax	878.57	649.63
<b>Basic Earnings per Share</b>	<b>` 8.53</b>	<b>` 8.29</b>
<b>Diluted</b>		
Weighted average no. of Equity Shares outstanding	103.01	78.32
Net Profit	878.57	649.63
<b>Diluted Earnings per Share</b>	<b>` 8.53</b>	<b>` 8.29</b>
<b>Nominal Value per Share</b>	<b>` 10.00</b>	<b>` 10.00</b>

**Note 40:** The company has so far not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises (Development), Act 2006. Hence disclosure relating to amounts unpaid at the year-end under this Act has not been given therefore Trade Payables in Note No 7 are due to Other Creditors.

**Note 41:** Excise duty shown in the Statement of Profit & Loss represents the net of excise duty received on total sales and borne by the Company on interdivision transfer.

**Note 42: Disclosure on Specified Bank Notes**

With reference to vide notification G.S.R 308(e) issued by Ministry of Corporate Affairs dated March 30, 2017, during the year the company had Specified Bank Notes(SBN) and details of SBN held and transacted during the period from November 08, 2016 to December 30, 2016 as follows:

Particulars	SBNs	Other Denominations	Total
Closing Cash in Hand as on 08.11.2016	33,14,000	17,40,447	50,54,447
Add: Permitted Receipts	Nil	9,15,000	9,15,000
Less: Permitted Payments	30,00,000	15,47,792	45,47,792
Less: Amount Deposited in Banks	3,14,000	Nil	3,14,000
Closing cash in hands as on 31.12.2016	Nil	11,07,655	11,07,655

**Note 43:** The additional information pursuant to Schedule II to the Companies Act 2013 are either nil or not applicable.

**Note 44:**

- a) The previous year's figures have been reclassified/re-grouped and/ or rearranged wherever considered necessary.
- b) Figures have been rounded off up to two decimal of nearest to Rupees in Lakhs.

Notes 1 to 44 are annexed to and form an integral part of the Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended on that date.

In terms of our report of even date annexed hereto

**For N.C. Aggarwal & Co.**

Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**

(Partner)

M.No. 519192

Place: New Delhi

Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**

Managing Director  
DIN 01070123

**Jesme Tikoo**

Company Secretary

**Anish Bansal**

Director cum CFO  
DIN 00670250

# **CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

To  
The Members,  
HI-Tech Pipes Limited  
New Delhi

## Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of HI-TECH PIPES LIMITED., and its subsidiary HTL Metal Private Limited which comprise the Consolidated Balance Sheet as at March 31, 2017 and the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 and relevant rules made thereunder. 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal financial control relevant to the company's preparation and fair presentation

of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

And subject to above, give a true and fair view:-

- i) In the case of Consolidated Balance Sheet, of the State of affairs of the Company as at March 31, 2017.
- ii) In the case of Consolidated Statement of Profit & Loss, of the Profit of the Company for the period ended on that date.
- iii) In the case of Consolidated Cash Flow Statement, of the Cash Flows for the period ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we further report that:
  - a) We have 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 accounts as required by law have been kept by the Company so far it appears from our examination of these books.
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss dealt with in this report are in agreement with the books of accounts.
  - d) In our opinion, Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss comply with the the Accounting Standards specified under Section 133 of the Act, read with relevant Rules made there under.
  - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the Consolidated

internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure” to this report;

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

i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements, Refer Note 27 to the financial statement.

ii) The Company did not have any long term contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the investor education and protection fund by the Holding Company and its Subsidiary HTL Metal Private Limited.

For **N.C. Aggarwal & Co.**  
Chartered Accountants  
FRN. 003273N

**(Astha Aggarwal)**  
Partner  
M. No. 519192

Place : New Delhi  
Date : May 30, 2017



## Annexure to the Independent Auditor's Report

### 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 Hi-Tech Pipes Limited

We have audited the Consolidated internal financial controls over financial reporting of Hi-Tech Pipes Limited ("the Company") and its Subsidiary HTL Metal Private Limited as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **N.C. Aggarwal & Co.**  
Chartered Accountants  
FRN. 003273N

(**Astha Aggarwal**)  
Partner  
M. No. 519192

Place : New Delhi  
Date : May 30, 2017

**CONSOLIDATED BALANCE SHEET**

AS AT MARCH 31, 2017

(₹ in Lakhs)

DESCRIPTION	Note No.	31.03.2017	31.03.2016
<b>EQUITY AND LIABILITIES:</b>			
Shareholders Funds			
(a) Share Capital	02	1,030.11	1,030.11
(b) Reserves and Surplus	03	6,622.80	5,601.94
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	04	4,902.27	3,210.54
(b) Deferred Tax Liabilities (net)	05	407.08	304.85
(c) Other Long Term Liabilities	06	1,021.64	953.79
(d) Other Long Term Provisions	07	59.91	63.32
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	08	11,976.66	10,336.80
(b) Trade Payables	09	5,752.78	3,744.60
(c) Other Current Liabilities	10	3,430.14	1,992.55
(d) Short-Term Provisions	11	784.17	705.34
<b>Total</b>		<b>35,987.56</b>	<b>27,943.84</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		8,113.12	5,511.70
(ii) Intangible Assets		10.23	4.93
(iii) Capital Work-in-Progress		767.33	651.19
(b) Non-current investments	13	0.03	-
(c) Long-Term Loans and Advances	14	712.42	510.57
(d) Other Non Current Assets			
<b>Current Assets</b>			
(a) Inventories	15	12,437.38	10,172.09
(b) Trade Receivables	16	9,586.10	6,749.85
(c) Cash and Bank Balances	17	1,642.09	1,271.73
(d) Short-Term Loans and Advances	18	2,718.86	3,071.78
Significant Accounting Policies	1		
<b>Total</b>		<b>35,987.56</b>	<b>27,943.84</b>

The accompanying notes form an integral part of this financial statements.

**For N.C. Aggarwal & Co.**  
Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**  
(Partner)  
M.No. 519192

Place: New Delhi  
Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**  
Managing Director  
DIN 01070123

**Jesme Tikoo**  
Company Secretary

**Anish Bansal**  
Director cum CFO  
DIN 00670250

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**

FOR THE PERIOD ENDED MARCH 31, 2017

in Lakhs except EPS

DESCRIPTION	Note No.	31.03.2017	31.03.2016
<b>REVENUE</b>			
Revenue from Operations	19	71,531.69	56,647.33
Less: Excise Duty		7,788.79	6,252.57
		63,742.90	50,394.76
Other Income	20	238.78	97.17
<b>Total</b>		<b>63,981.68</b>	<b>50,491.93</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	53,780.29	40,727.25
Purchases of Stock-in Trade	22	3,064.60	3,528.56
Changes in Inventories of Finished Goods, Work in Progress and Stock-in Trade	23	(577.60)	(486.12)
Employee Benefits Expenses	24	1,058.29	849.51
Finance Costs	25	2,050.74	1,704.87
Depreciation and Amortization Expenses	26	693.73	579.39
Other Expenses	27	2,428.56	2,581.20
<b>Total</b>		<b>62,498.61</b>	<b>49,484.65</b>
Profit Before Exceptional, Extraordinary Items and Tax		1,483.07	1,007.28
Exceptional / Extraordinary Items			-
<b>Profit Before Tax</b>		<b>1,483.07</b>	<b>1,007.28</b>
<b>Less/ (Add) Tax Expenses:</b>			
Current Tax		376.52	247.31
Deferred Tax		102.23	110.34
Previous Year Adjustments		3.53	-
MAT Credit Entitlement		33.74	
<b>Profit for the year</b>		<b>1,034.53</b>	<b>649.63</b>
<b>Earning Per Share</b>			
- Basic		<b>10.04</b>	<b>8.29</b>
- Diluted		<b>10.04</b>	<b>8.29</b>

The accompanying notes form an integral part of this financial statements.

**For N.C. Aggarwal & Co.**  
Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**  
(Partner)  
M.No. 519192

Place: New Delhi  
Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**  
Managing Director  
DIN 01070123

**Jesme Tikoo**  
Company Secretary

**Anish Bansal**  
Director cum CFO  
DIN 00670250

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extra Ordinary Activity	1,483.07	1,007.28
Add/(Less) Adjustments for:		
Depreciation	693.73	579.39
(Profit) / Loss on Sale of Assets	0.32	(0.40)
Interest Received	(238.78)	(96.77)
Finance Costs	2,050.74	1,704.87
Other Provisions	18.90	120.72
<b>Operating Profit Before Working Capital Changes</b>	<b>4,007.98</b>	<b>3,315.09</b>
Adjustments for:-		
Increase / (Decrease) Trade Payables	2,008.18	559.23
Increase / (Decrease) Current Liabilities	1,437.59	956.91
(Increase) / Decrease Trade Receivables	(2,836.24)	(1,440.04)
(Increase) / Decrease Inventories	(2,265.29)	(3,404.03)
(Increase) / Decrease Loans and Advances	387.29	267.88
<b>Cash Generated from Operations</b>	<b>2,739.51</b>	<b>255.05</b>
Direct Taxes Paid	(292.38)	(175.68)
<b>Net Cash Flow From Operating Activities</b>	<b>2,447.12</b>	<b>79.37</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Addition to /Advance for Capital Assets	(3,602.62)	(1,897.89)
Investment	(0.03)	-
Sale of Fixed Assets	0.70	0.56
<b>Net Cash Flow From Investing Activities</b>	<b>(3,601.95)</b>	<b>(1,897.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds on issue of Equity Shares	-	1,316.82
Dividend Paid (Including taxes)	(62.28)	(45.61)
Increase/ (Decrease) in Long Term Borrowings	1,691.73	1,006.31
Increase/ (Decrease) in Short Term Borrowings	1,639.86	1,674.48
Increase/ (Decrease) in Other Long Term Liabilities	67.85	0.15
Interest Received	238.78	96.77
Interest Paid	(1,779.76)	(1,617.68)
Other Finance Costs	(270.98)	(87.19)
<b>Net Cash Flow Used In Financing Activities</b>	<b>1,525.20</b>	<b>2,344.05</b>
<b>Net Increase/ (Decrease) Changes in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>370.37</b>	<b>526.09</b>
<b>Cash and Cash Equivalent at the Beginning of the Year</b>	<b>1,271.73</b>	<b>745.64</b>
<b>Cash and Cash Equivalent at the Closing of the Year</b>	<b>1,642.09</b>	<b>1,271.73</b>

**Notes:**

- Cash & Cash Equivalent represents Cash & Bank Balances and deposit with Banks as per Note No.17
- Cash Flow Statement has been prepared under the "indirect method" as set out in the Accounting Standard (AS-3), "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the company.

**For N.C. Aggarwal & Co.**

 Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**

 (Partner)  
M.No. 519192

 Place: New Delhi  
Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**

 Managing Director  
DIN 01070123

**Jesme Tikoo**

Company Secretary

**Anish Bansal**

 Director cum CFO  
DIN 00670250

# NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## Note 1: SIGNIFICANT ACCOUNTING POLICIES

### A. General Information

Hi-Tech Pipes Limited ('the Company' or 'the Holding Company') was incorporated on 02<sup>nd</sup> January 1985. The Company is engaged in the business of production of ERW Steel Tubes and CR Coil / Sheet/ Strip. The Company has four manufacturing units, two at Sikandrabad, Uttar Pradesh and one in Sanand, Gujarat, one in Hindupur, Anantapur, Andhra Pradesh. The Company has one wholly owned subsidiary in India (the company and its subsidiaries constitute "the Group").

### B. Significant accounting policies

#### (i) Basis of preparation of financial statement

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### (ii) Principles of consolidation

The consolidated financial statements relate to Hi-Tech Pipes Limited, the holding company and its subsidiary companies (hereinafter collectively referred as "the Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2017
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.
- The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies,

at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary company and such amounts are not set off between different entities.

- Goodwill arising on consolidation is not amortised but tested for impairment.
- Following wholly owned Indian subsidiaries have been considered in the preparation of consolidated financial statements:

- HTL Metal Private Limited

#### (iii) Use of estimates

The consolidated financial statements prepared in conformity with estimates and assumptions to be made that affect the reported amounts of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period of reporting. Differences between actual results and estimates are recognized in the period in which the results are materialized.

#### (iv) Inventories

Inventories comprise all cost of purchase, conversion and other cost incurred in bringing the inventories to their present location and conditions.

- Raw Materials and spares are valued at the cost and net of mod vat credit availed.
- Work-in-progress is valued at estimated cost.
- Finished goods at estimated (inclusive of excise) cost or market value whichever is lower.
- Scraps are valued Net estimated realizable value.

The basis of valuation of inventories in respect to finished goods has been taken to conform to the revised standard on "Valuation of Inventories" (AS-2) issued by The Institute of Chartered Accountants of India to include excise duty thereon, which has no impact on the profit of the company.



**(v) Cash and cash equivalents (for the purpose of Cash Flow statement)**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

**(vi) Cash Flow statement**

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 operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**(vii) Depreciation and Amortisation**

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice / evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of various fixed assets is as under:-

- (a) Buildings- 30 years
- (b) Plant and Machinery- 15-25 years
- (c) Vehicles- 8 years
- (d) Furniture and fixtures- 10 years
- (e) Office equipment- 5 years
- (f) Computer- 3 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- (a) Computer software - 3 to 6 years

**(viii) Revenue recognition**

Sale of goods is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Sales include excise duty but exclude sales tax, value added tax. Sales net of excise duty and inter-divisional transfer is also disclosed separately. Revenue from services is recognized when the services are completed. Other income is accounted on received and accrual basis.

**(ix) Other income**

Interest income is accounted on accrual basis.

**(x) Fixed assets**

- Tangible/Intangible

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

- 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, related incidental expenses and attributable interest.

**(xi) Foreign exchange transactions**

- a) Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction.
- b) Measurement at the balance sheet date: Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.
- c) Treatment of exchange differences: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

**(xii) Investments / Investment property**

Long-term investments (including investment in properties), are carried individually at cost less

provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

### (xiii) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and performance incentives.

Defined contribution plans: The Group's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity, 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 Statement of Profit and Loss 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 recognised past service cost.

Short-term employee benefits:

"The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur. Long-term employee benefits Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

### (xiv) Borrowing cost

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### (xv) 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 issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### (xvi) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting

date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### (xvii) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of the assets exceeds the estimated recoverable

amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

#### (xviii) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 2. SHARE CAPITAL

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Authorised :-		
1,10,00,000 Equity Shares of ₹ 10/- each	1,400.00	1,100.00
Issued, Subscribed & Paid Up:		
1,03,01,100 (Previous Year 1,03,01,100) Equity Shares of ₹ 10/- each Fully Paid Up	1,030.11	1,030.11
	<b>1,030.11</b>	<b>1,030.11</b>

## 3. RESERVE AND SURPLUS

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>General Reserve</b>		
As per last Financial Statements	2,845.60	2,822.65
Add: Transfer from Statement of Profit & Loss Account	100.00	100.00
(Less): Balance utilised for issue of Bonus Shares		77.06
<b>Total (A)</b>	<b>2,945.60</b>	<b>2,845.60</b>
<b>Securities Premium Reserve</b>		
As per last Financial Statements	1,686.37	944.05
Add: On issue of Equity Shares	-	1,092.00
Less: Amount utilised for issue of Bonus shares	-	301.50
Less: Share Issue Expenses and Listing thereof	-	48.18
<b>Total (B)</b>	<b>1,686.37</b>	<b>1,686.37</b>
<b>Surplus in the Statement of Profit &amp; Loss Account</b>		
As per last Financial Statements(See Note 3.1)	1,087.44	599.92
Add :Profit during the year	1,034.53	649.63
Less: Appropriations		
Proposed Dividend(See Note 3.2)	25.75	51.51
Dividend Distribution Tax on Proposed Dividend	5.39	10.78
Transfer to General Reserve	100.00	100.00
Provision for Corporate Social Responsibility(See Note 3.3)	-	17.30
<b>Total (C)</b>	<b>1,990.83</b>	<b>1,069.97</b>
<b>Total A+B+C</b>	<b>6,622.80</b>	<b>5,601.94</b>

Note 3.1 - Opening profits includes profits of subsidiary company amounting to ` 17.47 lakhs upto the financial year ended March 31, 2016

Note 3.2 - Dividend proposed ` 0.25 Per share (Previous Year ` 0.50/- per share.) subject to approval of shareholder at ensuing Annual General Meeting of the Company

Note 3.3 - Provisions for CSR for the financial year ended March 31, 2017 amounting to ` 14.43 Lakhs is included in other expenditures refer Note No. 27, and hence accounted for in Profit & Loss Statement.

#### 4. LONG TERM BORROWINGS

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>Secured</b>		
Term Loan		
From Banks	3,461.53	2,460.13
From Others	30.00	35.68
Vehicle Loan	-	
Vehicle Loan	26.37	4.61
<b>Total (A)</b>	<b>3,517.91</b>	<b>2,500.41</b>
<b>Unsecured</b>		
<b>From Directors</b>	<b>1,111.17</b>	<b>235.43</b>
<b>Intercompany Borrowings;</b>		
From Related Parties	71.32	12.54
From Others Corporates	201.87	462.15
<b>Total (B)</b>	<b>1,384.36</b>	<b>710.12</b>
<b>Total (A)+(B)</b>	<b>4,902.27</b>	<b>3,210.54</b>

#### 5. DEFERRED TAX LIABILITIES (NET)

(` in Lakhs)

		31.03.2017	31.03.2016
Deferred Tax Liabilities on Depreciation	A	456.80	304.85
Deferred Tax Assets on Business Losses	B	0.40	-
Deferred Tax Assets on Employee Benefits	C	49.32	-
<b>Total (A-B-C)</b>		<b>407.08</b>	<b>304.85</b>

Movement of deferred tax provision/adjustment in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.

#### 6. OTHER LONG TERM LIABILITIES

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>Security Deposits from Agents/Dealers</b>		
Strategic Dealers	930.00	850.00
Other Deposits	91.64	103.79
<b>Total</b>	<b>1,021.64</b>	<b>953.79</b>

#### 7. OTHER LONG TERM PROVISIONS

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Employees Benefits and Provisions	59.91	63.32
<b>Total</b>	<b>59.91</b>	<b>63.32</b>

Refer Note No.28 Employees Benefits

#### 8. SHORT TERM BORROWINGS

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>Secured</b>		
<b>Loan repayable on demand</b>		
From Banks	11,976.66	10,336.80
<b>Total</b>	<b>11,976.66</b>	<b>10,336.80</b>

**9. TRADE PAYABLE**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Creditors for Raw Material	5,653.90	3,490.12
Sundry Creditors for Others	98.88	254.48
<b>Total</b>	<b>5,752.78</b>	<b>3,744.61</b>

**10. OTHER CURRENT LIABILITIES**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Current Maturities on Long Term Debts (10.1)	1,081.29	649.47
Interest Accrued But not Due	34.46	11.84
Advance from Customers	680.05	615.09
Other Outstanding Liabilities	649.11	422.64
Statutory Dues	251.37	117.01
Creditors for Fixed Assets	733.86	176.50
<b>Total</b>	<b>3,430.14</b>	<b>1,992.55</b>

Notes:

10.1 Principle Amount of installment due on long term debts in next following 12 months.

**11. SHORT TERM PROVISIONS**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Provision for Income Tax	215.04	127.38
Other Provisions	37.43	17.04
Excise Duty on Uncleared Goods	500.56	498.64
Proposed Dividend	25.75	51.51
Tax on Dividend	5.39	10.78
<b>Total</b>	<b>784.17</b>	<b>705.34</b>

**12. FIXED ASSETS**

(` in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2016	Addition	Sale/ trf	As on 31.03.2017	Upto 01.04.2016	Dep for the period	Write off	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
<b>(i) Tangible Fixed Assets</b>										
I Land*	849.35	323.87	-	1,173.22	-	-	-	-	1,173.22	849.35
II Office Building	528.85	61.93	-	590.78	79.66	24.72	-	104.38	486.40	449.19
III Factory Shed & Building	1,335.95	674.78	-	2,010.73	354.06	112.87	-	466.93	1,543.80	981.89
IV Plant & Machinery	5,722.08	2,150.46	-	7,872.54	2,724.03	461.57	-	3,185.60	4,686.94	2,998.05
V Office Equipment	109.20	10.97	-	120.17	73.11	15.23	-	88.34	31.83	36.08
VI Computer	35.63	10.12	-	45.74	28.39	6.05	-	34.44	11.31	7.24
VII Furniture & Fixtures	179.88	9.44	-	189.32	84.80	27.49	-	112.29	77.03	95.07
VIII Vehicle	469.49	48.68	5.44	512.73	374.67	39.89	4.42	410.14	102.59	94.82
IX Rolls	60.53	-	-	60.53	60.53	-	-	60.53	-	-
<b>Total</b>	<b>9,290.95</b>	<b>3,290.25</b>	<b>5.44</b>	<b>12,575.76</b>	<b>3,779.25</b>	<b>687.81</b>	<b>4.42</b>	<b>4,462.64</b>	<b>8,113.12</b>	<b>5,511.70</b>
<b>(ii) Intangible Assets</b>	7.79	11.23	-	19.03	2.87	5.92	-	8.79	10.23	4.93
	<b>9,298.74</b>	<b>3,301.48</b>	<b>5.44</b>	<b>12,594.78</b>	<b>3,782.12</b>	<b>693.73</b>	<b>4.42</b>	<b>4,471.43</b>	<b>8,123.35</b>	<b>5,516.62</b>
<b>(iii) Capital Work-in-Progress</b>	651.19	1,565.10	1,448.96	767.33	-	-	-	-	767.33	651.19
<b>Grand Total</b>	<b>9,949.94</b>	<b>4,866.58</b>	<b>1,454.40</b>	<b>13,362.12</b>	<b>3,782.12</b>	<b>693.73</b>	<b>4.42</b>	<b>4,471.43</b>	<b>8,890.68</b>	<b>6,167.82</b>
<b>Previous Year</b>	<b>8,317.50</b>	<b>3,176.90</b>	<b>1,544.46</b>	<b>9,949.94</b>	<b>3,202.73</b>	<b>579.39</b>	<b>0.00</b>	<b>3,782.12</b>	<b>6,167.82</b>	<b>5,114.77</b>

\* Opening balance of HTL Metal pvt. Ltd. is shown as addition in 1st consolidation.



**13. NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Investment In SVC Co Op Bank Ltd	0.03	-
<b>Total</b>	<b>0.03</b>	<b>-</b>

**14. LONG TERM LOANS AND ADVANCES**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Advance for Capital Goods	450.28	265.28
Security and other Deposits	262.14	245.29
<b>Total</b>	<b>712.42</b>	<b>510.57</b>

**15. INVENTORIES**

(Valued and Certified by Management)

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Raw Material	4,746.42	3,262.86
Finished Goods	5,285.12	4,891.10
Stock in Transit	9.29	5.79
Work-in-progress	551.83	430.05
Rejection & Scrap	444.60	390.17
Stores, Consumables and Spares	148.49	142.28
Others (Immovable Properties)	1,251.62	1,049.84
<b>Total</b>	<b>12,437.38</b>	<b>10,172.09</b>

**16. TRADE RECEIVABLE**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Unsecured, Considered Good		
- Outstanding for more than six months	165.43	168.23
- Others	9,420.67	6,581.62
<b>Total</b>	<b>9,586.10</b>	<b>6,749.85</b>

**17. CASH AND BANK BALANCES**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>Cash and Cash Equivalents</b>		
Cash in hand	34.89	62.07
Banks Balance	66.93	187.69
<b>Total (A)</b>	<b>101.82</b>	<b>249.76</b>
<b>Other Bank Balances</b>		
<b>Term Deposits</b>		
(In Margin money with maturity more than 3 months but less than 12 months at inception)	1,540.27	1,021.96
<b>Total (B)</b>	<b>1,540.27</b>	<b>1,021.96</b>
<b>Total(A+B)</b>	<b>1,642.09</b>	<b>1,271.73</b>

**18. SHORT TERM LOANS AND ADVANCES**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Advance Recoverable in Cash or in kind or for value to be considered good		
Advance to Suppliers and Others	1,812.74	2,116.72
Balance with Revenue Authorities	855.93	932.12
Prepaid Expenses	14.28	22.94
Others Advances	2.17	-
MAT Credit Entitlement	33.74	-
<b>Total</b>	<b>2,718.86</b>	<b>3,071.78</b>

**19. REVENUE FROM OPERATIONS**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>A. Sale of Products</b>		
Domestic Sales	71,293.53	56,422.68
Export Sales	43.44	-
<b>Total (A)</b>	<b>71,336.97</b>	<b>56,422.68</b>
<b>B. Other Operating Revenues</b>		
<b>Sales of Services</b>		
-Rent	130.47	195.12
-Job Work	64.25	29.53
<b>Total (B)</b>	<b>194.72</b>	<b>224.65</b>
<b>Total (A+B)</b>	<b>71,531.69</b>	<b>56,647.33</b>

**19.1 PARTICULARS OF SALE OF PRODUCTS**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Steel Tubes Products	53,763.76	31,219.46
CR Products	16,043.82	23,980.81
Others	1,529.40	1,222.41
<b>Total</b>	<b>71,336.98</b>	<b>56,422.68</b>

**20. OTHER INCOME**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Interest Income from Bank	86.87	96.77
Interest Income from others	105.24	-
Profit on Sale of Assets	46.67	0.40
<b>Total</b>	<b>238.78</b>	<b>97.17</b>

**21. COST OF MATERIALS CONSUMED**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Indigenous Raw Material	52,759.09	38,594.27
Imported Raw Material	-	1,551.17
Indigenous Stores	1,021.21	478.24
<b>Total</b>	<b>53,780.29</b>	<b>40,623.67</b>

**21.1. PARTICULARS OF RAW MATERIALS CONSUMED**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Coil/ Skelp	51,700.74	39,127.42
Zinc & Others	1,058.34	1,018.02
<b>Total</b>	<b>52,759.09</b>	<b>40,145.43</b>

**22. COST OF STOCK IN TRADE**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
HR Coil/ Skelp	3,064.60	3,528.56
<b>Total</b>	<b>3,064.60</b>	<b>3,528.56</b>

**23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN TRADE**

(` in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
<b>Opening Stock</b>		
Finished Goods	4,891.10	4,103.63
Rejection and Scrap	390.17	715.57
Work-in-Progress	430.05	406.00
	<b>5,711.32</b>	<b>5,225.20</b>
<b>Closing Stock</b>		
Finished Goods	5,294.41	4,891.10
Rejection and Scrap	444.60	390.17

DESCRIPTION	31.03.2017	31.03.2016
Work-in-Progress	551.83	430.05
	<b>6,290.85</b>	<b>5,711.32</b>
<b>(Increase)/Decrease in stock</b>	<b>(579.52)</b>	<b>(486.12)</b>
Increase/(Decrease) of Excise Duty on account of change in Closing Stock of Finished Goods	1.92	103.58
<b>Total</b>	<b>(577.60)</b>	<b>(382.54)</b>

**24. EMPLOYEES BENEFITS EXPENSES**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Salaries, Wages, Bonus and Other Benefits	998.99	779.85
Staff Welfare Expenses	28.24	25.34
Provisions for Employees Benefits	3.70	24.61
Contribution towards Provident & Other Funds	27.36	19.71
<b>Total</b>	<b>1,058.29</b>	<b>849.51</b>

**25. FINANCE COSTS**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Interest Expenses	1,779.76	1,617.68
Others Borrowing Cost	270.98	87.19
<b>Total</b>	<b>2,050.74</b>	<b>1,704.87</b>

**26. DEPRECIATION AND AMORTIZATION**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Depreciation Expenses	693.73	576.76
Amortization of Intangible Assets	-	2.63
<b>Total</b>	<b>693.73</b>	<b>579.39</b>

**27. OTHER EXPENSES**

(₹ in Lakhs)

DESCRIPTION	31.03.2017	31.03.2016
Power and Fuel	1,197.49	1,412.83
Job Work Expenses	51.66	18.63
Insurance	14.39	18.92
Repairs to:		
Machinery	13.15	128.50
Buildings	14.63	3.48
Others	8.83	3.39
Sales Promotion	67.48	25.12
Commission	161.72	211.43
Consumable Stores	2.69	-
Freight and Cartage Outward	406.26	393.81
Fee & Subscription	19.27	16.76
Travelling and Conveyance	94.61	79.66
Rent	16.54	10.86
Legal or Professional Consultation Charges	54.88	48.24
Vehicle Running and Maintenance	36.85	63.32
Security Services	44.94	39.69
Others*	223.17	106.56
<b>Total</b>	<b>2,428.56</b>	<b>2,581.20</b>

\*Provisions for CSR for the financial year ended March 31, 2017 amounting to ₹ 14.43 Lakhs is included in Other.

**28. CONTINGENT LIABILITIES**

- Corporate Guarantees given by the Company to its Wholly Owned Subsidiary i.e. HTL Metal Private Limited: Current Year upto ₹ 2500 lakhs against its credit facilities, Previous Year (NIL).
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance): Current Year(NIL) Previous Year (₹ 11.58 Lakhs).

- c. Other monies for which company is contingently liable ₹ 15.10 Lakhs (Previous year ₹ 371.14 Lakhs).
- d. The Company challenged the validity of Entry Tax (on certain purchases) imposed by UP VAT Authorities during the financial year ended March 31, 2012 and petition is still pending with Hon'ble Supreme Court of India as company's petition was rejected by the Hon'ble High Court of Allahabad.

However, in compliance with the Hon'ble Supreme Court's directions, Company paid a sum of ₹ 229.17 Lakhs to the department and provided Bank Guarantee of ₹ 128.98 Lakhs (against the total liability accrued of ₹ 304.45 Lakhs on account of Entry Tax after rejection of Company's petition by Hon'ble High Court of Allahabad). The Company is of the opinion that eventually no liability shall accrue to the company in this matter and hence not provided for this Entry Tax Liability on purchases.

## NOTE 29: RETIREMENT BENEFITS

### DETAILS OF DEFINED BENEFITS PLANS AS UNDER:

(₹ in Lakhs)

I. Change in present value of obligation	31.03.2017	31.03.2016
a) Present value of obligation as at the beginning of the period	62.60	42.02
b) Acquisition adjustment	--	--
c) Interest cost	4.66	3.36
d) Current service cost	17.63	10.67
e) Past service cost	--	--
f) Benefits paid	(3.03)	--
g) Actuarial (gain)/loss on obligation	(17.38)	6.55
h) Present value of obligation as at the end of period	63.27	62.60

(₹ in Lakhs)

II. Changes in the fair value of plan assets	31.03.2017	31.03.2016
a) Fair value of plan assets at the beginning of the period	--	--
b) Acquisition adjustment	--	--
c) Expected return on plan assets	--	--
d) Contributions	--	--
e) Benefits paid	--	--
f) Actuarial gain/(loss) on plan assets	--	--
g) Fair value of plan assets at the end of the period	--	--

(₹ in Lakhs)

III. Fair value of plan assets	31.03.2017	31.03.2016
a) Fair value of plan assets at the beginning of the period	--	--
b) Acquisition adjustment	--	--
c) Actual return on plan assets	--	--
d) Contributions	--	--
e) Benefits paid	--	--
f) Fair value of plan assets at the end of the period	--	--

(₹ in Lakhs)

IV. Actuarial gain / loss recognized	31.03.2017	31.03.2016
a) Actuarial gain/(loss) for the period - Obligation	17.38	(6.55)
b) Actuarial (gain)/loss for the period - Plan Assets	--	--
c) Total (gain)/loss for the period	(17.38)	6.55
d) Actuarial (gain) / loss recognized in the period	(17.38)	6.55
e) Unrecognized actuarial (gains) / losses at the end of period	--	--

(₹ in Lakhs)

V. The amounts to be recognized in Balance Sheet and statement of P & L A/C	31.03.2017	31.03.2016
a) Present value of obligation as at the end of the period	64.48	62.60
b) Fair value of plan assets as at the end of the period	--	--
c) Funded status / Difference	(64.48)	(62.60)
d) Excess of actual over estimated	--	--
e) Unrecognized actuarial (gains)/losses	--	--
f) Net asset/(liability) recognized in balance sheet	(64.48)	(62.60)

(₹ in Lakhs)

VI.	Expense recognized in the statement of P & L A/C	31.03.2017	31.03.2016
a)	Current service cost	17.63	10.67
b)	Past service cost	--	--
c)	Interest cost	4.66	3.36
d)	Expected return on plan assets	--	--
e)	Net actuarial (gain)/ loss recognized in the period	(17.38)	6.55
f)	Expenses recognized in the statement of profit & losses	4.91	20.58

(₹ in Lakhs)

VII.	Reconciliation statement of expense in the statement of P & L A/C	31.03.2017	31.03.2016
a)	Present value of obligation as at the end of period	64.48	62.60
b)	Present value of obligation as at the beginning of the period	62.60	42.02
c)	Benefits paid	3.03	--
d)	Actual return on plan assets	--	--
e)	Acquisition adjustment	--	--
f)	Expenses recognized in the statement of profit & losses	4.91	20.58

(₹ in Lakhs)

VIII.	Movements in the liability recognized in the Balance Sheet	31.03.2017	31.03.2016
a)	Opening net liability	62.60	42.02
b)	Expenses as above	4.91	20.58
c)	Benefits paid	(3.03)	--
d)	Actual return on plan assets	--	--
e)	Acquisition adjustment	--	--
f)	Closing net Liability	64.48	62.60

(₹ in Lakhs)

IX.	The Major categories of plan assets	31.03.2017	31.03.2016
a)	Government of India Securities	--	--
b)	High Quality Corporate Bonds	--	--
c)	Equity Shares of listed companies	--	--
d)	Property	--	--
e)	Funds Managed by Insurer	--	--
	Total	--	--

X. Expected company contributions for next year is ₹ Nil/-.

(₹ in Lakhs)

XI.	Current / Non Current Liability	31.03.2017	31.03.2016
a)	Current liability	6.81	5.62
b)	Non-Current liability	57.67	56.98
c)	Net Liability	64.48	62.60

30: Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any will be adjusted at the time of confirmation.

31: In the opinion of the management, the realisable value of current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.

### 32: SEGMENT REPORTING

The Company is primarily engaged in the business of manufacturing and sale of steel Tube/Pipes as such the accounting standard on segment reporting is not applicable.

### 33. AUDITOR'S REMUNERATION AND EXPENSES CHARGED TO ACCOUNTS:

(₹ in Lakhs)

Particulars	2016-17	2015-16
Statutory Audit Fee (Excluding Service Tax)	1.50	1.00
Tax Audit Fee (Excluding Service Tax)	0.24	0.24
Total	1.74	1.24



**34. C.I.F VALUE OF IMPORTS**

(` in Lakhs)

Particulars	2016-17	2015-16
Raw Material	NIL	1,551.17
Consumable Stores	NIL	NIL
Capital Goods	NIL	NIL

**35. VALUE OF CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND THE PERCENTAGE OF THE TOTAL CONSUMPTION**

(` in Lakhs)

Particulars	2016-17 (In `)	2016-17 (In %)	2015-16 (In `)	2015-16 (In %)
(A) Raw Materials				
Imported	NIL	-	1,551.17	3.85
Indigenous	49,366.42	100	38,697.85	96.15
<b>Total</b>	<b>49,366.42</b>	<b>100</b>	<b>40,249.01</b>	<b>100</b>
(B) Stores & Spares				
Indigenous	1,021.21	100	478.24	100
Imported	NIL	-	NIL	-
<b>Total</b>	<b>1,021.21</b>	<b>100</b>	<b>478.24</b>	<b>100</b>

**36. EARNING IN FOREIGN CURRENCY**

(` in Lakhs)

Particulars	2016-17	2015-16
Export Sales Excluding Deemed Export (FOB Value)	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

**37. EXPENDITURE IN FOREIGN CURRENCY**

(` in Lakhs)

Particulars	2016-17	2015-16
Travelling Expenditure	19.31	8.97
<b>Total</b>	<b>19.31</b>	<b>8.97</b>

**38. RELATED PARTY TRANSACTIONS**

In accordance with the Accounting Standard 18, the disclosure required is given below:

- a) List of related parties and relationship (as identified by management)
  - i) Parties where control exists:
    - HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary)
  - ii) Key Management Personnel:
    - a. Sh. Ajay Kumar Bansal Managing Director
    - b. Sh. Anish Bansal Whole Time Director
  - iii) Relatives of Key Management Personnel:
    1. Vipul Bansal Relative of Managing Director
    2. Rakesh Bansal Relative of Managing Director
  - iv) Entities over which key management personnel and their relative exercise significant influence, whom transaction have been taken place during the year:
    1. JNG Construction Pvt. Ltd
    2. Hi-Tech Agro-vision Pvt. Ltd.

**Detail of Transactions with related parties**

(` in Lakhs)

S. No.	Nature of Transaction	Key Management		Relatives of Key		Enterprises have	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Remuneration	60.00	48.00	-	-	-	-
2	Salary	-	-	24.00	6.00	-	-
3	Interest Paid	9.88	29.53	4.81	-	-	1.38
4	Loan Accepted	(613.50)	71.00				
5	Outstanding Loan	(1,117.17)	(307.53)	(59.37)	-	(13.49)	(12.54)

In respect of above parties, there is no provision for doubtful debt as on 31.03.2017 and no amount is written off or written back during the year in respect of debt/loan and advances due from/to them.

Credit facilities of the company is further collaterally secured by the personal guarantee of the Key management personnel as declared in Note no 4.1 and 7.1.

### Note 39: EARNINGS PER SHARE

Basic and Diluted Earnings per Share are computed in accordance with AS 20- Earnings Per Share. Basic earnings per Equity Share are computed by dividing net profit after tax by the weighted average number of Equity Shares outstanding during the year. The Diluted Earnings per Share is computed using the weighted average number of Equity Shares and Diluted Potential Equity Shares outstanding during the year.

All figures in Lakhs except EPS

Particulars	2016-17	2015-16
<b>Basic</b>		
Weighted average no. of Equity Shares outstanding	103.01	78.32
Net Profit After Tax	1034.53	649.63
<b>Basic Earnings per Share</b>	<b>` 10.04</b>	<b>` 8.29</b>
<b>Diluted</b>		
Weighted average no. of Equity Shares outstanding	103.01	78.32
Net Profit	1034.53	649.63
<b>Diluted Earnings per Share</b>	<b>` 10.04</b>	<b>` 8.29</b>
<b>Nominal Value per Share</b>	<b>` 10.00</b>	<b>` 10.00</b>

40. The Company has so far not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises (Development), Act 2006. Hence, disclosure relating to amounts unpaid at the year-end under this Act has not been given. Therefore, Trade Payables in Note No 9 are due to Other Creditor.

41. Excise duty shown in the Statement of Profit & Loss represents the net of excise duty received on total sales and borne by the Company on inter division transfer.

### 42. DISCLOSURE ON SPECIFIED BANK NOTES

With reference to vide notification G.S.R 308(e) issued by Ministry of Corporate Affairs dated March 30, 2017, during the year the company had Specified Bank Notes(SBN) and details of SBN held and transacted during the period from November 08, 2016 to December 30, 2016 as follows:

Particulars	SBNs	Other Denominations	Total
Closing Cash in Hand as on 08.11.2016	33,14,000	19,64,748	52,78,748
Add: Permitted Receipts	Nil	10,41,000	10,41,000
Less: Permitted Payments	30,00,000	17,84,460	47,84,460
Less: Amount Deposited in Banks	3,14,000	Nil	3,14,000
Closing cash in hands as on 31.12.2016	Nil	12,21,288	12,21,288

43. The additional information pursuant to Schedule II to the Companies Act 2013 is either nil or not applicable.

44. a) The previous year's figures have been reclassified/re-grouped and/ or rearranged wherever considered necessary.

b) Figures have been rounded off up to two decimal of nearest to Rupees in Lakhs.

Notes 1 to 44 are annexed to form an integral part of the Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended on that date.

In terms of our report of even date annexed hereto

**For N.C. Aggarwal & Co.**  
Chartered Accountants,  
FRN: 003273N

**Astha Aggarwal**  
(Partner)  
M.No. 519192

Place: New Delhi  
Date: May 30, 2017

For and on behalf of the board

**Ajay Kumar Bansal**  
Managing Director  
DIN 01070123

**Jesme Tikoo**  
Company Secretary

**Anish Bansal**  
Director cum CFO  
DIN 00670250

**HI-TECH PIPES LTD.****CIN:** L27202DL1985PLC019750**Registered office:** 505, PEARLS OMAXE TOWER, NETAJI SUBHASH PLACE,  
PITAMPURA, NEW DELHI-110034

Website: www.hitechpipes.in Email: info@hitechpipes.in Tel.: +91-11-48440050 Fax: +91-11-48440055

**NOTICE OF 33<sup>RD</sup> ANNUAL GENERAL MEETING**

**Notice** is hereby given that the Thirty Third Annual General Meeting of the Members of Hi- Tech Pipes Limited will be held on Monday September 25, 2017 at 11:30 A.M at Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi - 110026 to transact, the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement (Including the Consolidated Financial Statement) of the company for the financial year ended March 31, 2017; the Reports of Board of Director's and Auditors' thereon.
2. To declare Dividend of 25/- paisa per equity share for the Financial Year ended on March 31, 2017.
3. (i) Appointment of Statutory Auditors to fill the casual vacancy:

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, 140 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the appointment of M/s A.N. Garg & Co., Chartered Accountants, Delhi, having Firm Registration No. 004616N, as a Statutory Auditors of the Company to fill up the casual vacancy caused by the resignation of M/s N.C. Aggarwal & Co., Chartered Accountants, previous auditors of the Company, be and is hereby approved on such terms and conditions as may be mutually decided between Board of Directors of the Company and M/s A.N. Garg & Co., Chartered Accountants.

**(ii) Appointment of Statutory Auditor**

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

**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s A.N. Garg & Co., Chartered Accountants, Delhi, having Firm Registration No. 004616N, who was appointed in the Board

Meeting dated 10<sup>th</sup> August, 2017, in casual vacancy caused by resignation of M/s N.C. Aggarwal & Co., Chartered Accountants, Statutory Auditor, be and is hereby re-appointed as the Statutory Auditor of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of Sixth consecutive Annual General Meeting of the Company, subject to the ratification by members in each annual general meeting, at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in supersession of earlier resolution passed by the members of the Company in its 28<sup>th</sup> Annual General Meeting held on September 29, 2012 and pursuant to section 196, 197, 198 read with schedule V and any other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including the statutory modification or re-enactment thereof for the time being in force) and subject to the provisions of memorandum and article of association of the Company, listing agreement entered into by the Company with stock exchange and/ or approval of any appropriate authority(s) under any other applicable laws, rules and regulations for the time being in force and amended from time to time and further subject to such other terms and conditions, stipulation and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (hereinafter referred to as "The Board" which terms shall be included Nomination and Remuneration Committee and\ or any other committee thereof for the time being and from time to time, to which all or any of the power hereby conferred on the Board by this resolution may have been delegated), be and is hereby authorized to accept and further subject such conditions and modification as may be considered appropriate from time to time, during the term of Re-appointment, by the Board of Company, the consent of the Board be and is hereby accorded to re-appoint Mr. Ajay Kumar Bansal, Managing Director of the Company, for a period of Five years commencing from 01<sup>st</sup> October, 2017 on the following existing terms and conditions:

**REMUNERATION: -**

- I. **SALARY:** Rs.5,00,000/- p.m. or Rs. 60,00,000/- p.a.
- II. **PERQUISITES:** Perquisites shall be allowed in addition to salary restricted to an amount equal to the annual salary or Rs.60,00,000/- per annum.

- a) **Medical Reimbursement:** Expenses incurred for Managing Director and their respective family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- b) **Club Fees:** Including entrance and subscription of maximum of two clubs together with the benefit of all expenses incurred towards the business of the Company.
- c) **Leave Travel Concession:** For self and family, once in a year incurred in accordance with rules of the company.
- d) **Personal Accident Insurance:** Premium for self and family as per the rules of the Company for life, personal and accidental insurance.
- e) **Contribution to the Provident Fund:** Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- f) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two year by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
- g) **Gratuity:** Payable shall not exceed half a month's salary for each completed year of service, subject to the maximum ceiling limit of exemption under the Income Tax Act applicable at that time.
- h) **Encashment of leave:** At the end of the tenure.

**Provision of car:** for use on the Company's business car and telephone at resident will not be considered as perquisite. Personal Long Distance call on telephone and use of car for personal purpose shall be billed by the company to the Managing Director.

**FURTHER RESOLVED THAT** other terms and conditions of appointment of Mr. Ajay Kumar Bansal shall be as per the rules and policies of the Company applicable to all the employees of the Company.

**FURTHER RESOLVED THAT** the Board may, from time to time, vary or modify the above terms including remuneration as it thinks fit during the tenure of re-appointment, provided however that such variation is within as per the provisions/ Limit laid down under the Companies Act, 2013 and rules made thereunder.

**FURTHER RESOLVED THAT** subject to the schedule V of the Companies Act, 2013 the aforesaid remuneration shall be paid within the applicable limit(s) and period thereof, whenever and wherever applicable, as minimum salary and perquisites to Mr. Ajay Kumar Bansal in the event of loss or inadequacy of profit in any financial year during the tenure of his appointment.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to take all such necessary action for giving effect to aforesaid."

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in supersession of earlier resolution passed by the members of the Company in its 28<sup>th</sup> Annual General Meeting held on September 29, 2012 and pursuant to section 196, 197, 198 read with schedule V and any other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including the statutory modification or re-enactment thereof for the time being in force) and subject the provisions of memorandum and article of association of the Company, listing agreement entered into by the Company with stock exchange and/ or approval of any appropriate authority(s) under any other applicable laws, rules and regulations for the time being in force and amended from time to time and further subject to such other terms and conditions, stipulation and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (hereinafter referred to as "The Board" which terms shall be included Nomination and Remuneration Committee and\ or any other committee thereof for the time being and from time to time, to which all or any of the power hereby conferred on the Board by this resolution may have been delegated), be and is hereby authorized to accept and further subject such conditions and modification as may be considered appropriate from time to time, during the term of Re-appointment, by the Board of Company, the consent of the Board be and is hereby accorded to re-appoint Mr. Anish Bansal, Whole-Time Director of the Company, for a period of Five years commencing from 01<sup>st</sup> October, 2017 on the following existing terms and conditions:

#### REMUNERATION: -

- I. **SALARY:** Rs.3,00,000/- p.m. or Rs. 36,00,000/- p.a.
- II. **PERQUISITES:** Perquisites shall be allowed in addition to salary restricted to an amount equal to the annual salary or Rs.36,00,000/- per annum.
  - a. **Medical Reimbursement:** Expenses incurred for Director and their respective family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
  - b. **Club Fees:** Including entrance and subscription of maximum of two clubs together with the benefit of all expenses incurred towards the business of the Company.
  - c. **Leave Travel Concession:** For self and family, once in a year incurred in accordance with rules of the company.
  - d. **Personal Accident Insurance:** Premium for self and family as per the rules of the Company for life, personal and accidental insurance.
  - e. **Contribution to the Provident Fund:** Superannuation Fund or Annuity Fund will not

be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- f. **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two year by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
- g. **Gratuity:** Payable shall not exceed half a month's salary for each completed year of service, subject to the maximum ceiling limit of exemption under the Income Tax Act applicable at that time.
- h. **Encashment of leave:** At the end of the tenure.

**Provision of car:** for use on the Company's business and telephone at resident will not be considered as perquisite. Personal Long Distance call on telephone and use of car for personal purpose shall be billed by the company to the Managing Director.

**FURTHER RESOLVED THAT** other terms and conditions of appointment of Mr. Anish Bansal shall be as per the rule and policies of the Company applicable to all the employees of the Company.

**FURTHER RESOLVED THAT** the Board may, from time to time, vary or modify the above terms including remuneration as it thinks fit during the tenure of re-appointment, provided however that such variation is within as per the provisions/ Limit laid down under the Companies Act, 2013 and rules made thereunder.

**FURTHER RESOLVED THAT** subject to the schedule V of the Companies Act, 2013 the aforesaid remuneration shall be paid within the applicable limit(s) and period thereof, whenever and wherever applicable, as minimum salary and perquisites to Mr. Anish Bansal in the event of loss or inadequacy of profit in any financial year during the tenure of his appointment.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to take all such necessary action for giving effect to aforesaid."

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

**"RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders at the Annual General Meeting held on 29<sup>th</sup> September, 2016 and subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) read with Rules made there under and any other applicable provisions of the Act ('Act') and the Article of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Director [herein after referred as 'The Board' and shall be deemed to include any

committee thereof for the time being exercising the powers conferred on them by this resolution or such delegatee, which the Board may constitute to exercise its power] of the Company, to borrow any sum or sums of money [including any nonfund based facilities and/or Deposits and /or Debentures (secured or unsecured) or such other instrument], as and when required, for the business of the company from, including without limitation, one or more, Bank(s) and/or Financial Institution and/or other persons, firms, bodies corporate, whether in India or abroad, notwithstanding the money so borrowed together with the money already borrowed (apart from the temporary loan obtained from the Company's Bankers in the ordinary course of business) may at any time exceed aggregate of the paid up capital of the Company and its free reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 1000 Crores (Rupees One Thousand Crores Only)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution a **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 148 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) therefore for the time being in force, M/s. S. Shekhar & Co., the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and Company Secretary be and are hereby severally authorise to do all acts, deeds, things and take all such steps as necessary / proper or expedient to give effect to this Resolution."

**For and on behalf of the Board  
For Hi-Tech Pipes Limited**

**Sd/-  
Ajay Kumar Bansal  
Chairman and Managing Director  
(DIN: 01070123)**

Place: New Delhi  
Date: 10/08/2017

**REGISTERED OFFICE:**  
505, Pearls Omaxe Tower,  
Netaji Subhash Place, New Delhi-110034



**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business as set out in the notice 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 INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM FOR THE AGM IS ENCLOSED HERewith.**  
  
**A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. 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 PROXY FOR ANY OTHER MEMBER.**
3. Corporate Members are requested to send to the registered office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
5. Relevant documents referred to in the accompanying Notice would be available for inspection by the members at the Registered Office of the Company on all working days, except Sunday & Public Holidays, between **11.00 a.m. to 1.00 p.m.** up to the date of the Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from **September 20, 2017 to September 25, 2017** (Both Days Inclusive) for the purpose of the Annual General Meeting.
7. Members are requested to notify immediately any changes, if any, in their registered addresses at an early date to the Registrar and Share Transfer Agent, quoting their folio numbers/client ID/ DPIN in all correspondence, so as to enable the Company to address any future communication at their correct address.
8. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
9. Members desirous of seeking any information concerning the Accounts or operations of the Company

are requested to address their queries in writing to the Company at an early date, so that the requested information can be made available at the time of the meeting.

10. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's Registrar and Transfer Agent, BigShare Services Private Limited, for assistance in this regard.
11. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
12. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members holding shares in single name are advised, in their own interest to avail of the nomination facility by filling form with Depository Participants. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in form may contact their Depository Participant for recording nomination in respect of their shares.
13. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013, read with relevant Rules made thereunder, Companies can serve Annual Reports & other communications through electronic mode to those members whose email IDs are registered with the Company/Depository Participants(s). As per provisions of Section 20 of the Companies Act, 2013 read with Rules thereunder, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office/home address or by such electronic mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his/ her Depository Participants(s)/Company Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he/ she shall pay such fees as may be determined by the Company in its Annual General Meeting. For members who have not registered their email address with the

Company, the service of documents will be affected by other modes of services as provided in Section 20 of the Companies Act, 2013, read with the relevant Rules there under. Printed copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is being sent to all members in the permitted mode.

16. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2017 will also be available on the Company's website [www.hitechpipes.in](http://www.hitechpipes.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated email id: [cs@hitechpipes.in](mailto:cs@hitechpipes.in)

17. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then they cannot vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

18. The E-voting period for all items of business contained in this Notice shall commence from **Friday the 22<sup>nd</sup> September, 2017 at 9.00 a.m.** and will end on **Sunday the 24<sup>th</sup> September, 2017 at 5.00 p.m.** During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of **19<sup>th</sup> September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on **19<sup>th</sup> September, 2017**.

19. The Board of Directors has appointed **M/s. Arun Kumar Gupta & Co., Company Secretaries**, as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.

20. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of Annual General Meeting.

21. The Scrutinizer shall immediately after the conclusion

of voting at the meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting and after scrutinizing such votes received shall make a Scrutinizer's Report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.

22. The Route Map of the venue of the Annual General Meeting forms part of this Notice and is published elsewhere in the Annual Report of the Company .

23. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on Friday, the 22<sup>nd</sup> September, 2017 at 9.00 a.m. and ends on Sunday the 24<sup>th</sup> September, 2017 at 5.00 pm. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant Hi-Tech Pipes Limited on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**For and on behalf of the Board  
For Hi-Tech Pipes Limited**

**Sd/-  
Ajay Kumar Bansal  
Chairman and Managing Director  
(DIN: 01070123)**

Place: New Delhi  
Date: 10/08/2017

**REGISTERED OFFICE:**

505, Pearls Omaxe Tower,  
Netaji Subhash Place, New Delhi-110034



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS:****ITEM No. 3****APPOINTMENT OF M/S A. N. GARG & CO., CHARTERED ACCOUNTANT AS STATUTORY AUDITORS AND RE-APPOINTMENT THEREOF.**

M/s. N.C. Aggarwal & CO., Chartered Accountants, existing auditors of the Company had tendered their resignation from the position of Statutory Auditor due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Accordingly the Board proposes that M/s. A.N. Garg & Co., Chartered Accountants, Delhi, be appointed as the Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s. N.C. Aggarwal & CO., Chartered Accountants. A.N. Garg & Co., Chartered Accountants, Delhi, have conveyed their consent to be appointed as the Statutory Auditor of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. The appointment of Statutory Auditor caused by resignation of existing auditor needs to be approved by members of the Company within a period of 3 months from the recommendation of the Board. Hence the resolution for appointment of M/s. A.N. Garg & Co., Chartered Accountants as Statutory Auditor of the Company is proposed in this Annual General Meeting for the consent of the members. Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

**ITEM No. 4****RE-APPOINTED OF MR. AJAY KR. BANSAL AS MANAGING DIRECTOR OF THE COMPANY.**

Mr. Ajay Kumar Bansal was appointed as Managing Director w.e.f. 1<sup>st</sup> October, 2012 for a period of Five(5) Years i.e. upto September 30, 2017.

Mr. Ajay Kumar Bansal has tendered valuable services to the Company during his tenure. A brief profile of Mr. Ajay Kumar Bansal has been given in Director's Report forming part of this Annual Report.

Having regard to the valuable services rendered to the Company by him, Nomination and Remuneration committee recommended to re-appoint Mr. Ajay Kumar Bansal as Managing Director.

In terms of the provisions of Section 196, 197, 198 read with schedule V and any other applicable provisions, if, any, of the Companies Act, 2013 and rules made there under (including any amendment(s) or modification(s) thereof for the time being in force), (hereinafter referred as 'Act'), the aforesaid matter requires approval of the members by way of special resolution is being sought for giving effect to the above.

The terms of re-appointment including remuneration are as per the proposed resolution giving in the Notice of Annual General Meeting forming part of this Annual Report.

A copy of draft Appointment letter of Mr. Ajay Kumar Bansal is available for inspection by the members on any working day from 30<sup>th</sup> August, 2017 to 22<sup>nd</sup> September, 2017 between 1400 Hrs. to 1600 Hrs. at the registered office of the Company.

The Board recommends item No. 4 regarding the appointment of Mr. Ajay Kumar Bansal as Managing Director of the Company for your approval.

Except Mr. Ajay Kumar Bansal as appointee Managing Director and Mr. Anish Bansal, being relatives of the appointee Director, none of the Directors, KMP(s) and their relative(s) are interested in the proposed business.

**ITEM No. 5****RE-APPOINTMENT OF MR. ANISH BANSAL AS WHOLE-TIME DIRECTOR OF THE COMPANY.**

Mr. Anish Bansal was appointed as Whole Time Director w.e.f. 1<sup>st</sup> October, 2012 for a period of Five (5) Years i.e. upto September 30, 2017.

Mr. Anish Bansal has tendered valuable services to the Company during his tenure. He, apart from other activities was overseeing operational and taxation matters of the Company. A brief profile of Mr. Anish Bansal has been given in Director's Report forming part of this Annual Report.

Having regard to the valuable services rendered to the Company by him, Nomination and Remuneration committee recommended to re-appoint Mr. Anish Bansal as Whole Time Director.

In terms of the provisions of Section 196, 197, 198 read with schedule V and any other applicable provisions, if, any, of the Companies Act, 2013 and rules made there under (including any amendment(s) or modification(s) thereof for the time being in force), (here in after referred as 'Act'), the aforesaid matter requires approval of the members by way of special resolution is being sought for giving effect to the above.

The terms of re-appointment including remuneration are as per the proposed resolution giving in the Notice of Annual General Meeting forming part of this Annual Report.

A copy of draft Appointment letter of Mr. Anish Bansal is available for inspection by the members on any working day from 30<sup>th</sup> August, 2017 to 22<sup>nd</sup> September, 2017 between 1400 Hrs. to 1600 Hrs. at the registered office of the Company.

The Board recommends item No. 5 regarding the appointment of Mr. Anish Bansal as Whole Time Director of the Company for your approval.

Except Mr. Anish Bansal as appointee Director and Mr. Ajay Kumar Bansal, being relatives of the appointee Director, none of the Directors, KMP(s) and their relative(s) are interested in the proposed business.

**ITEM No. 6****RESOLUTION UNDER SECTION 180 (1)(C) OF THE COMPANIES ACT, 2013 TO BORROW ANY SUMS OF MONEY SHALL NOT EXCEED THE SUM OF RS. 1000 CRORES.**

Pursuant to the provisions of Section 180(1)(c) of the

Companies Act, 2013 the Board of Directors of a Company cannot, except with the consent of Members of the Company in the General Meeting by way of a special resolution, borrow any sum or sums of money from time to time for the purposes of business of the Company, if the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) exceeds the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose. Members of the Company had on September 29, 2016 authorized Board of Directors to borrow long term or medium term loans from Banks, Financial Institutions, any other lenders for an amount not exceeding Rs.500 crores only. However in view of the business expansion, the Company would require, from time to time, additional banking facilities to meet the funding requirements of the Company. Considering the quantum of present borrowing already sanctioned by the Bank and proposed sum intended to be borrowed by Company at a future date, it is therefore proposed that the existing borrowing limits of Rs.500 crores only be increased to Rs.1000 Crores Only. The Special resolution as set out in Item no. 6 of this Notice is accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

#### ITEM No. 7

#### **RATIFICATION OF REMUNERATION OF M/S S. SHEKHAR & CO. AS COST AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR 2017-18.**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of

the company across various segment, for the financial year ending March 31, 2018 as per the following details:

S.No.	Name of the Cost Auditor	Financial Year	Audit Fees (In Rs.)
1.	M/s S. Shekhar & Company	2017-18	50000

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) rules, 2014 the remuneration of the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested financially or otherwise in the resolution.

The Board recommends passing of the Ordinary Resolution set out at Item No. 7 of the Notice.

**For and on behalf of the Board  
For Hi-Tech Pipes Limited**

**Sd/-  
Ajay Kumar Bansal  
Chairman and Managing Director  
(DIN: 01070123)**

Place: New Delhi  
Date: 10/08/2017

**REGISTERED OFFICE:**  
505, Pearls Omaxe Tower,  
Netaji Subhash Place, New Delhi-110034

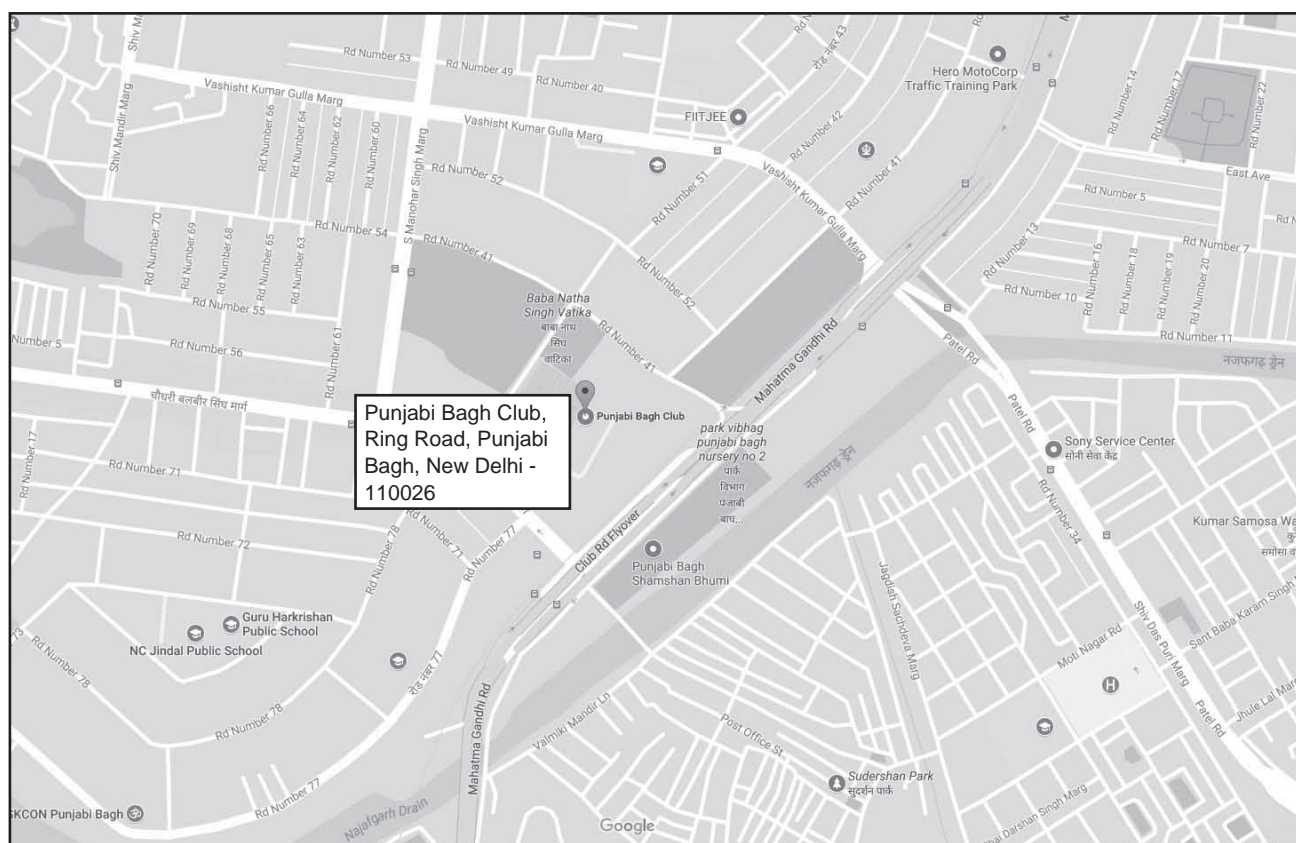
#### **DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 33RD ANNUAL GENERAL MEETING**

Name of Director	Mr. Ajay Kumar Bansal	Mr. Anish Bansal
i) Date of Birth/Age	August 28, 1957/59	November 02, 1984/32
ii) Qualifications	Graduation from Delhi University	Graduation in B.Sc Economics in Banking and Finance from Cardiff University U.K
iii) Experience	Mr. Ajay Kumar Bansal has over 35 years of experience in manufacturing of Steel Pipes and Tubes. He has also been nominated as Chairman of Tubes Panel of Federation of Industries of India. He belongs to family who is in the business of trading and manufacturing of Steel pipes over 35 years.	Mr. Anish Bansal has over 10 years in corporate finance, strategies, marketing, product development, implementation of projects, international trade and finance and other corporate matters.
iv) Terms and Conditions of Re-appointment	Regularization of Director	Regularization of Director
v) Details of Remuneration sought to be paid	60,00,000/-	36,00,000/-
vi) Details of Remuneration Last Drawn	60,00,000/-	36,00,000/-
vii) Date of first appointment on the Board	02/01/1985	19/02/2009
viii) No. of shares held	1491900	637600



<b>Name of Director</b>	<b>Mr. Ajay Kumar Bansal</b>	<b>Mr. Anish Bansal</b>
ix) Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Anish Bansal, whole time Director is the Son of Mr. Ajay Kumar Bansal	Mr. Ajay Kumar Bansal, Managing Director of the Company is the Father of Mr. Anish Bansal
x) No. of Board Meetings attended/ held during Financial Year 2016-17	13	13
xi) Directorships held in other companies	<ol style="list-style-type: none"> <li>1. JNG Construction Pvt. Ltd.</li> <li>2. Gujrat Hi-Tech Steels Pvt. Ltd.</li> <li>3. AKS Buildcon Pvt. Ltd.</li> <li>4. Hi-Tech Agrovision Pvt. Ltd.</li> <li>5. HTL Metal Pvt. Ltd.</li> <li>6. HTL Ispat Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. AKS Buildcon Pvt. Ltd.</li> <li>2. Hi-Tech Agrovision Pvt. Ltd.</li> <li>3. HTL Metal Pvt. Ltd.</li> </ol>

### AGM Venue Route Map





**Name of the Company:** HI-TECH PIPES LTD.

**CIN:** L27202DL1985PLC019750

**Registered office:** 505, PEARLS OMAXE TOWER, NETAJI SUBHASH PLACE,  
PITAMPURA, NEW DELHI-110034

## ATTENDANCE SLIP

**33<sup>rd</sup> Annual General Meeting, Monday, 25<sup>th</sup> September, 2017 at 11:30 a.m.**

Regd. Folio No./DP ID

Client ID/Ben. A/C

No. of shares held

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 33<sup>rd</sup> Annual General Meeting of the Company on Monday, 25<sup>th</sup> September, 2017 at 11:30 a.m. at Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi – 110026.

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Member's/Proxy's name in Block Letters

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Member's/Proxy's Signature

**Notes:**

- 1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.**
- 2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the Meeting.**





**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:** L27202DL1985PLC019750

**Name of the Company:** HI-TECH PIPES LTD.

**Registered office:** 505, PEARLS OMAXE TOWER, NETAJI SUBHASH PLACE, PITAMPURA, NEW DELHI-110034

**Name of the Member(s):**

**Registered address:**

**E-mail Id:**

**Folio No/ Client Id:**

**DP ID:**

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

1. Name: .....

Address: .....

E-mail Id: .....

Signature: \_\_\_\_\_, or failing him

2. Name: .....

Address: .....

E-mail Id: .....

Signature: \_\_\_\_\_, or failing him

3. Name: .....

Address: .....

E-mail Id: .....

Signature: \_\_\_\_\_, or failing him

4. Name: .....

Address: .....

E-mail Id: .....

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 33rd Annual General Meeting of the Company, to be held on the 25th day of September, at 11:30 a.m. at Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi – 110026, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Res. No.	Description	For	Against
1.	Adoption of Audited Financial Statements and Reports of the Board of Directors' and Auditors' thereon for the Financial Year ended 31st March, 2017		
2.	Declaration of Dividend on Equity shares		
3(i)	Appointment of Statutory Auditors to fill the casual vacancy		
3(ii)	Re-appointment M/s A.N. Garg & Co., Chartered Accountants as Statutory Auditor		
4.	Re-appointment of Mr. Ajay Kumar Bansal as a Chairman & Managing Director (DIN:01070123)		
5.	Re-appointment of Mr. Anish Bansal as Whole Time Director(DIN: 00670250)		
6.	Special Resolution under section 180 (1) (c) of the Companies Act, 2013 to borrow any sum or sums of money shall not exceed the sum of Rs.1000 Crores		
7.	Ratification of Remuneration of M/s S. Shekhar & Company, as Cost Auditor of the Company for the Financial Year 2017-18		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2017

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.**





**HI-TECH**  
PIPES LIMITED



Shaping Steel  
for Life



India's Leading Manufacturer of

- ERW BLACK & G.I. STEEL TUBES
- HOLLOW SECTIONS
- PRE-GALVANISED TUBES
- C.R. COIL

AN ISO 9001 : 2008 CERTIFIED COMPANY

**Regd. Office -** 505, Pearl Omaxe Tower Netaji Subhash Place, Pitampura, New Delhi - 110034  
Tel : +91 - 11 - 48440050, Fax: +91 - 11 - 48440055

**Works-** Sikandrabad U.P. & Sanand, Ahmedabad



**E-mail :** [info@hitechpipes.in](mailto:info@hitechpipes.in) **Website :** [www.hitechpipes.in](http://www.hitechpipes.in)



# HI-TECH PIPES LIMITED

**Hi-Tech Pipes Limited**

**CIN:** L27202DL1985PLC019750

**Regd. Office:** 505, Pearls Omaxe Tower, Netaji Subhash Place,  
Pitampura, New Delhi - 110034

**Tel :** +91 - 11 - 48440050 **Fax:** +91 - 11 - 48440055

**E-mail :** [info@hitechpipes.in](mailto:info@hitechpipes.in) | **Website :** [www.hitechpipes.in](http://www.hitechpipes.in)