



**HI-TECH**  
PIPES LIMITED



# **MULTIPLYING GROWTH THROUGH VALUE ADDITION**

Annual Report 2017-18

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### Caution Regarding forward looking statement

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.

# MULTIPLYING GROWTH THROUGH VALUE ADDITION

**Think of edge, think of value addition. Think of premium, think of value addition. Think of multiplying growth, think of value addition. When proposition is to be set higher than the norms, then value addition and customization become the tools for success. In today's competitive environment, where customer satisfaction, door-step delivery, quality consciousness and technological advancements have become the bare minimum to sustain, those who intend to lead, need to think ahead of the curve. 'Value Addition,' at every stage of business and every critical function of its operations, has become the stepping stones for sustenance and multiplying growth.**

At Hi-Tech Pipes, we aim to grow consistently to create stakeholder value. We believe that when we unearth opportunities amidst challenges, our aim should be to eye on multiplying our growth. We are in the business of adding value to the products that we supply to our customers. We have gone ahead and successfully attempted to add value to our customers by delivering to them projects beyond just products. We believe that value addition, right from products to projects to operations to financial management and customer delivery, has been our biggest strength and this will be our route to success going forward.

With the conclusion of FY18 (2017-18), we witnessed another eventful year wherein Hi-Tech Pipes pursued its endeavours to establish itself as a player in the steel tubes manufacturing which is always on the move and setting higher benchmarks for itself. Despite the uncertain global environment and multiple challenges being faced at home, we have managed to add another successful chapter to our growth story. Our credo is reflected in our commitment towards "Multiplying Growth through Value Addition" while pursuing perfection.



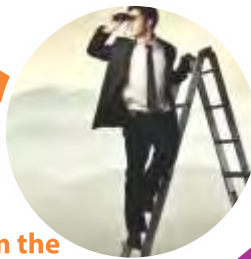
# HI-TECH PIPES LTD – THE COMPANY IN BRIEF



Established in the year 1986, Hi-Tech Pipes Ltd. is a leading Indian manufacturer of steel products. Our range of superior quality products includes Flat Steel, Tubular Steel Products, Engineering Steel Products and numerous other galvanized steel products. Driven by hard work and dedication of our team members, we have now established ourselves as a name to be reckoned with in the Steel Tube Industry globally. With our state-of-the-art manufacturing facilities present across three critical regions in the country, we are in an unparalleled position to offer high quality products in desired quantities. With our strategic customer acquisition products approach, we have created a customer portfolio of which anyone would be proud of. With feet firmly set on the ground and our enthusiasm sky high, we are now more than ready to explore new avenues and further strengthen our presence in the industry.

## Vision

To lead the industry from the front with an impeccable commitment to standards, quality, productivity and customer satisfaction.



## Mission

We aspire to achieve business excellence through:

- Optimum utilization of resources
- Sustainable environment-friendly procedures and practices
- The highest ethics and standards
- The spirit of entrepreneurship and innovation
- Hiring, developing and retaining the best people
- Maximizing returns to stakeholders
- Providing product of high-quality and enrich the lives of people associated with us.



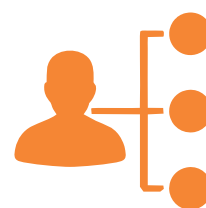
# HI-TECH PIPES IN NUMBERS



**3,60,000** mtpa  
Installed  
Capacity



**04 Manufacturing  
Plants –**  
U.P., Gujarat,  
Andhra Pradesh



**300+**  
Dealers &  
Distributors



**33 Years**  
since  
inception



**750**  
Work Force



**Rs.1000+**  
Crores  
Turnover  
(FY 2018)



**Rs. 21**  
Crores  
PAT (FY2018)



**450+**  
Types of  
Product SKUs



**500+**  
Projects  
Executed



## MULTIPLYING GROWTH THROUGH MARKET EXPANSION

**S**TEEL IS AT THE HEART OF OUR OPERATIONS, AND WE TAKE IMMENSE PRIDE IN CRAFTING EACH OF OUR PRODUCT. OUR INVESTMENTS IN PRODUCT DEVELOPMENT SAW US INCREASE THE SHARE OF VALUE-ADDED PRODUCTS IN OUR PORTFOLIO WHICH HAS TAKEN THE DEMAND AND APPLICATION FOR OUR PRODUCTS TO CLIENTS ACROSS MULTIPLE INDUSTRIES.



Value addition takes its true shape and meaning when it reaches farther and entrenches deeper. At Hi-Tech Pipes, we believe in taking our quality products and impeccable solutions to a wider range of customers and markets. Over the years, we have been able to build a strong distribution network which has resulted in 300+ distributors across the length & breadth of India.

In order to have a diversified customer mix and market presence, we have with us the patronage of 100+ Original Equipment Manufacturers (OEMs) across automobile & other industries as our satisfied customers. Further, we are a regular supplier of products & solutions to more than 75

contractors who work across various scales of construction projects across India. Today, Hi-Tech Pipes stands firm with more than 100 project approvals for its various products and solutions.

We have worked over the years to expand our market reach, whereby we stand to multiply growth for our stakeholders. We have been adding new customers, newer geographies, new market segments, new product applications and new industry segments. We do all this with complete focus on customer satisfaction, and it delights us if we have to walk an extra mile for that.

**300+**  
Distributors

**100+**  
OEM Customers

**75+**  
Contractor Customers

**100+**  
Project Approvals

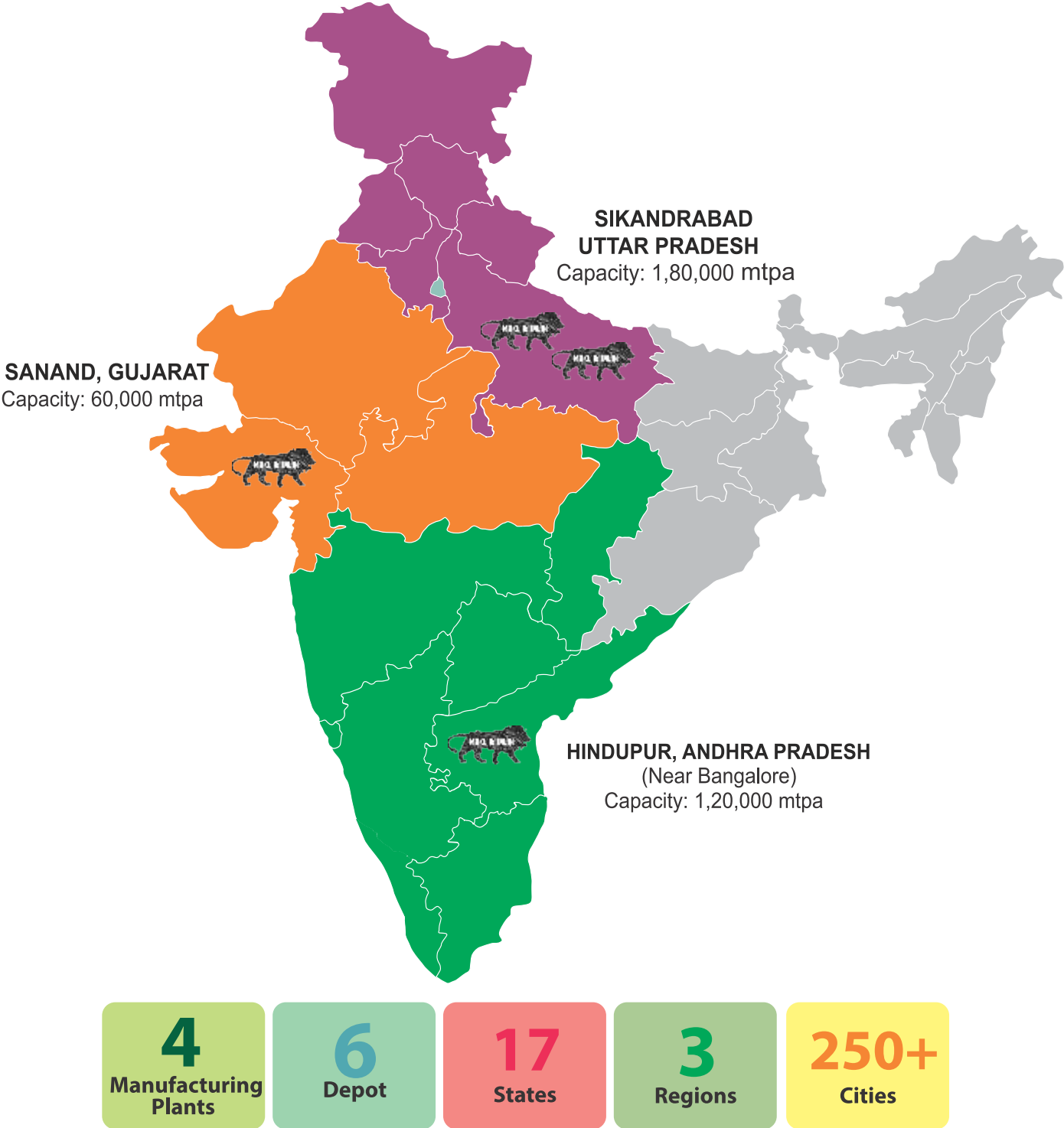


# MANUFACTURING FACILITIES





# HI-TECH PIPES MANUFACTURING PRESENCE & MARKET REACH



# MULTIPLYING GROWTH THROUGH STRONG PRODUCT PORTFOLIO

## Tubular Steel



### Steel Tubes & Pipes

**Product End-Usage:** Water Gas & Air Pipeline, Automobiles, Power & Industrial Boilers, Transformers, Superheaters, Economisers, Heat Exchangers, Railway, Electrification and Furniture Applications, etc.

### Hollow Sections

**Product End-Usage:** Casing, Columns & Fence, Handrails, Load Bearing Structure, Piling, Posts, Poles, Railings, Scaffolding, Skywalks, Towers, etc.

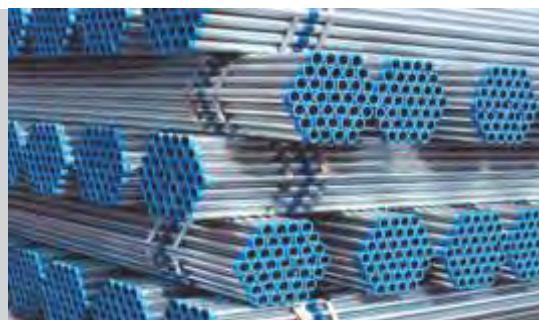


### Pre-Galvanized Tubes

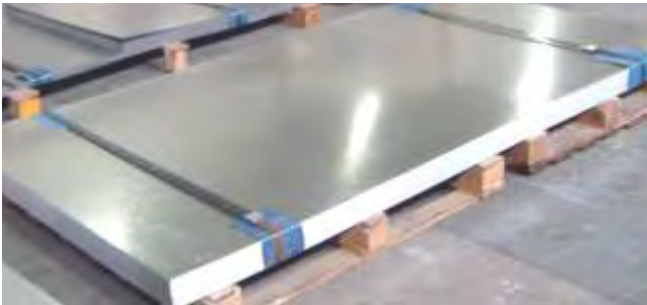
**Product End-Usage:** HVAC, Cladding, Roofing, Building Accessory, Partition, False Ceilings, Railway Carriages, Road Signs, Containers, Furniture, etc.

### Hot dipped GI pipes

**Product End-Usage:** Agriculture, Plumbing, Green Houses, Irrigation, Hand Pumps, Bore, Tubewells



## Flat Steel



### CR Sheets & Strips

**Product End-Usage:** Stampings, Auto & Auto Ancillaries, Transmission Chain, Bicycle Parts, Fine Blanking, Bearings

### Galvanized Coils

**Product End-Usage:** Construction, Agriculture, Automobile, Domestic & Outdoor Electric Appliance, Furniture & Fixtures Industry



### Cold Formed Sections

**Product End-Usage:** Automobile Industry, Civil Construction, Solar Mounting Structures, Strut Support Systems, Storage Systems, Furniture & Office Equipment

## Engineering Products



### Metal Crash Barriers

**Product End-Usage:** Highways, Expressways, Flyovers, Mines, Motor Racing, Test Drive Tracks, Multi-storey parking lots, Plants handling hazardous chemicals

### Solar Structures

**Product End-Usage:** Ground-mounted solar power plants, Rooftop solar, Street lighting, Solar water pumps, Solar street lighting





# MULTIPLYING GROWTH THROUGH NEW PRODUCT APPLICATIONS

**T** Think of Edge, think of Value Addition. We understand that “One size Fits all” policy does not work as every project has diverse requirements. With our customized product solutions, we ensure that our clients get only what they want and how they want.



Telecom Tower Structure



Toll Plaza- Bandra-Worli Sea Link



Tensile Membrane Structures-  
Mumbai Airport



With a constant drive to move up the value chain, our emphasis on increasing the value-added products helps us in offering a wider variety and range of products across segments and expanding the application of its products in newer segments, markets, customers and so on.

House, Defence Shelters, Telecom Towers, Solar Mounted Structures, etc.

We envision to take our quality products to newer customers and industry segments through usage across a wider set of applications.

Over a period of time, we have developed many new applications of our products viz. Green



Main Supporting Structures-  
Common Wealth Stadium



Station Structure & Railing- Delhi Metro



Module Mounting Structures-  
Gujarat Solar Park



# MULTIPLYING GROWTH AND CONTRIBUTING TO NATION BUILDING

Key projects that are the pride of  
our value addition regime to our client's businesses:

## Reliance Jio Infocomm



**Project Details:** Telecom Tower Erection  
**Product Used:** Steel Tubes

## Delhi Metro Rail Corporation Ltd



**Project Details:** Metro Station structure at Delhi  
Metro's Phase III  
**Product Used:** Hollow Sections

## Eastern Peripheral Expressway, NHAI



**Project Details:** Highway Crash Barriers along the long  
stretch of Eastern Peripheral Expressway, Uttar Pradesh  
**Product Used:** Highway Crash Barrier

## Automobile



**Project Details:** Automotive  
**Product Used:** Colled Rolled Strips





**NTPC, India**



**Project Details:** Solar Mounting Structure at Gujarat  
**Product Used:** Pre-fabricated Solar Structures

**Green House**



**Project Details:** Greenhouse Covered Area, Gujarat  
**Product Used:** Pre-galvanized Tube

**Transmission & Distribution**



**Project Details:** Monopole Distribution Poles  
**Product Used:** Galvanized Pipes

**Water Distribution**



**Project Details:** Drinking Water Supply Pipeline, Rajasthan  
**Product Used:** Galvanized Tubes

# MARCHING TOWARDS **10,00,000 mtpa** INSTALLED CAPACITY FOR SUSTAINABLE TOMORROW

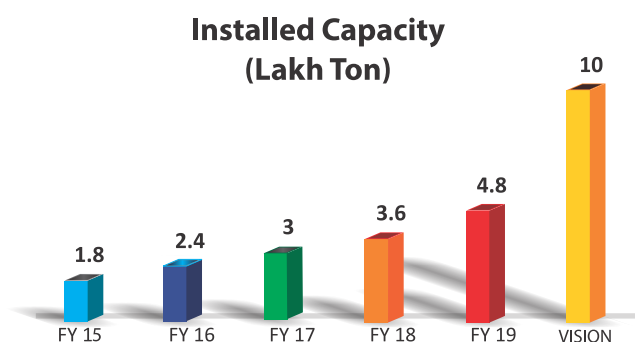
# A

At Hi-Tech Pipes, we are at the mission to continuously invest in a sustainable tomorrow. The Company has the vision to reach One Million Tonn installed capacity in near future

which will strengthen its PAN-India presence and help it mark its presence in the international market and achieve 10% Net Sales through exports.

The company has a strong focus on value addition and customized products in order to establish a competitive edge along with a healthy bottom-line.





Sensing opportunities with the new mass-scale projects being undertaken by The Government of India- Housing for all, 24x7 electricity for all, development of smart cities, building Highways and focus on solar energy, we have ramped up our production facilities significantly. Through upgradation of our production facilities at Sikandrabad, Bengaluru, and Gujarat, we now have enhanced our annual production to 3,60,000 MT.

This pro-active approach has helped the us in garnering the trust of our customers who bestow us with continued patronage which has enabled us to post impressive returns. We have also improved our capacity utilization which now stands at 72% of the total available installed capacity. Driven by the excellent response that our products receive from our customers, we are continuously striving to further improve our product quality and capacity utilization. This will help us with cost-optimization as well as improve on our working margins.

Foraying into high potential growth segment of solar structures, which also enjoys the focus of the Indian Governments, we have ensured that we will continue with our growth story the same way. We would not only be able to sustain the company's future going further but also improve on our year by year performance. Through the supply of customized steel solutions, we have ensured better margins for our products which in turn translate into better returns for the shareholders and stakeholders.

#### PLANT WISE CAPACITY

|                  |        | (Metric ton)    |                 |
|------------------|--------|-----------------|-----------------|
| City             | Region | 2017-18         | 2018-19         |
| Sikanderabad, UP | North  | 1,80,000        | 2,40,000        |
| Sanand, Gujarat  | West   | 60,000          | 1,20,000        |
| Hindupur, AP     | South  | 1,20,000        | 1,20,000        |
| <b>Total</b>     |        | <b>3,60,000</b> | <b>4,80,000</b> |

### New Manufacturing Facilities

Aspiring to set up new manufacturing facilities at strategic locations to strengthen its Pan-India presence and to extend its market reach to untapped regions, segments and markets.

#### SANAND (GUJARAT)

Expanding capacities from 60,000 MTs to 1,20,000 MTs  
Expanding size range up to 7 inches for all types of tubes and sections

#### HINDUPUR (AP)

Expanded capacities from 60,000 MTs to 1,20,000 Mts  
Expanded size range up to 7 inches for all types of tubes and sections  
Added Galvanising facility for value-added products

#### SIKANDRABAD (UP)

Technology Advancement  
Modernisation of new Cold-Rolling Mill with fully Automated Technology Entry into Automobile & Electrical grade applications



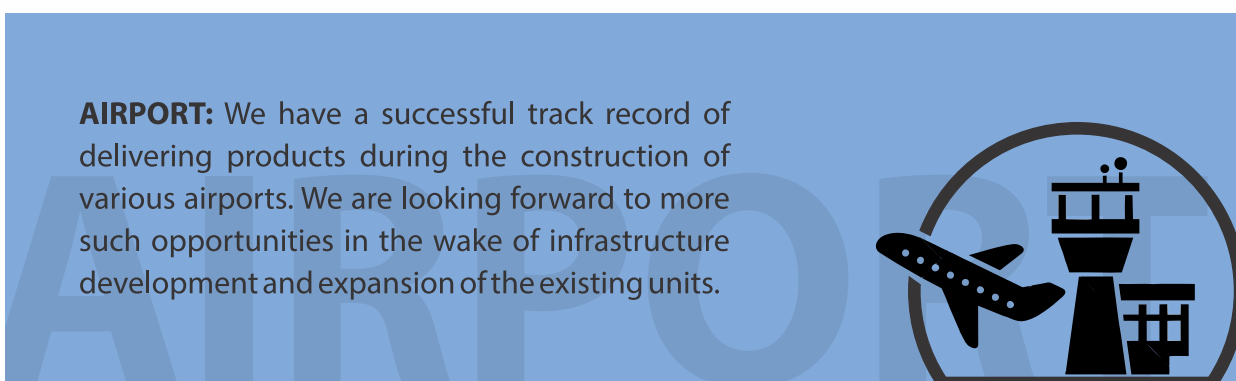
# NEW AVENUES OF MULTIPLYING GROWTH

At Hi-Tech Pipes, we are always on a lookout for newer opportunities. We believe in setting higher benchmarks for ourselves and taking up new challenges to bring the best out of ourselves.

In order to further strengthen our revenue growth consistency and higher profitability through niche products and project execution, we are actively exploring and have started delivering value-added steel in the following sectors:-



**DEFENCE:** Pre-fabricated Shelters for Defence. At present, the company is working with Military Engineering Service division of the Indian Army. With the enhanced budgets for the defence sector and focus on quality of life for defence personnel, we see huge opportunities in this sector.



**AIRPORT:** We have a successful track record of delivering products during the construction of various airports. We are looking forward to more such opportunities in the wake of infrastructure development and expansion of the existing units.



**METRO RAIL INFRASTRUCTURE:** We have delivered the roofing/station structuring projects for Delhi Metro Rail Corp. On the basis of our existing experience, we hope to garner more business in this segment.



**IRRIGATION:** Today, India needs to help its farmers with smooth and effective irrigation facilities. The sector promises immense potential.

**GREEN HOUSES:** With the advent of more environment conservation initiatives from Governments to Corporate Entities, this sector gives promising opportunities.



**TELECOM - TOWER BUSINESS:** The Telecom Sector is on the verge of consolidation and quality of service only is going to be the norm. This is likely to lead to some uptick in the telecom towers business.

**DRINKING WATER SUPPLY:** With India working hard to supply clean and safe drinking water to remote areas and more villages, the sector promises good potential.



**THE MULTIPLIER PERIOD - FY2016 TO FY2018****MULTIPLYING  
STAKEHOLDER VALUE**

Hi-Tech Pipes has been working relentlessly for last 33 years on building solid platform for sustainable growth and creating consistent value for stakeholders. Originally, we had listed our shares in February, 2016 with an IPO of Rs. 13.65 Cr and, since then, we have been growing continuously.

The period between FY16 and FY18 has been one of the most eventful, purposeful, rewarding and building blocks for an even brighter future. We take you through this journey of the multiplier effect.

- **Multifold increase in Market Capitalization – More than 5 Times since listing**
- **Strengthening of Board through the appointment of reputed Independent Directors**
- **Become one of the most valuable company on NSE Emerge within two years of listing**
- **Focus on implementation of best practices of Corporate Governance**



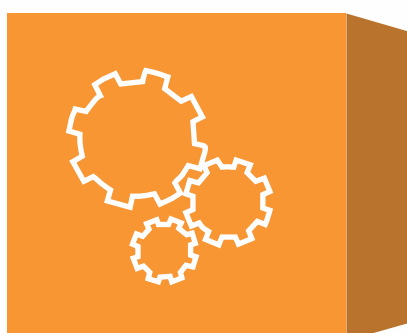


**EARNINGS & MARGINS**

| The Contributor            | Unit    | FY 16 | FY 18 | Growth % |
|----------------------------|---------|-------|-------|----------|
| Net Sales (Net of GST/ED ) | Rs. Cr  | 504   | 1016  | 102%     |
| EBIDTA                     | Rs. Cr  | 31.9  | 60.1  | 88%      |
| Profit before Tax          | Rs. Cr  | 10.1  | 30    | 197%     |
| Profit after Tax           | Rs. Cr  | 6.5   | 21    | 223%     |
| EBIDTA PMT                 | Rs. PMT | 2319  | 2661  | 15%      |
| PAT PMT                    | Rs. PMT | 472   | 929   | 97%      |

**FINANCIAL HEALTH**

| The Contributor            | Unit  | FY 16 | FY 18 | Change |
|----------------------------|-------|-------|-------|--------|
| Return on Capital Employed | %     | 15.2  | 19.1  | 3.9    |
| TOL / TNW                  | Times | 3.2   | 3.0   | (0.2)  |
| Debtor Turnover Days       | NoD's | 49    | 37    | (12)   |
| Inventory Turnover Days    | NoD's | 74    | 55    | (19)   |

**MANUFACTURING MERITS**

| The Contributor           | Unit      | FY 16 | FY 18 | Growth% |
|---------------------------|-----------|-------|-------|---------|
| Total Installed Capacity  | mtpa Lacs | 2.4   | 3.6   | 50%     |
| Total Utilised Capacity   | mtpa Lacs | 1.38  | 2.26  | 64%     |
| Capacity Utilisaiton %    | %         | 57%   | 72%   | 26%     |
| Gross Block of FA         | Rs. Crore | 100   | 178   | 78%     |
| No of Manufacturing Units | No.       | 2     | 4     | 100%    |

**STAKEHOLER VALUE CREATION**

| The Contributor       | Unit      | FY 16 | FY 18 | Growth % |
|-----------------------|-----------|-------|-------|----------|
| Earning Per Share     | Rs.       | 8.29  | 20.39 | 146%     |
| Book Value Per Share  | Rs.       | 64    | 108   | 68%      |
| Market Capitalisation | Rs. Crore | 63    | 378   | 502%     |
| Return on Equity      | %         | 11.4% | 22.1% | 94%      |
| Net Worth             | No Lacs   | 66.3  | 113.6 | 71%      |

# HI-TECH PIPES LTD MIGRATES TO NSE MAINBOARD

A journey with a vision can create numerous milestones to cherish. Hi-Tech Pipes crossed another historic milestone of its journey by migrating from NSE- Emerge to NSE mainboard on 7th May 2018. It indeed was a moment of fulfillment for us since we had come on NSE-Emerge about 2 years back and we have achieved this feat fairly quickly.

**Hi-Tech Pipes is 3rd Company to migrate from  
NSE-Emerge to NSE Mainboard**  
**Hi-Tech Pipes became one of the fastest SME to reach  
Market Capitalization of Rs. 400 Crores**

**A glance through this historic milestone:**



Ms. Rachna Bhusari, Head SME-NSE presenting the memento to Mr. Ajay Bansal and Mr. Anish Bansal

## Excerpts from the speakers words on the occasion:



### Mr. Ajay Bansal – Chairman & Managing Director

"Thankful to NSE for giving us this Platform and Thankful to our Stakeholders for showing the faith in the Company which results in significant Growth. We assure you for our best efforts for a better tomorrow"

### Mr. Anish Bansal - Whole-Time Director

Listing is a crucial step in moving forward for any company because it opens up new opportunities for growth and gives prominence to the endeavours of the company.



### Ms. Rachna Bhusari - Head SME-NSE

This is a real proud moment for NSE that the Company came out with an IPO of 13 cr. having a Market Cap of Rs. 63 Crore and today it is more than Rs.400 cr. This is an achievement. This is the platform which shows that the company are charting their growth stories. So, really proud of HI-TECH PIPES LIMITED".





# FINANCIAL HIGHLIGHTS

| Particulars      | Unit             | FY 2014    | FY 2015    | FY2016     | FY2017     | FY 2018     | 5 Yr. CAGR |
|------------------|------------------|------------|------------|------------|------------|-------------|------------|
| <b>Net Sales</b> | <b>Rs. Crore</b> | <b>385</b> | <b>458</b> | <b>503</b> | <b>637</b> | <b>1016</b> | <b>27%</b> |
| Gross Block      | Rs. Crore        | 64.4       | 83.2       | 100.5      | 132.1      | 178.4       | 29%        |
| EBIDTA           | Rs. Crore        | 18.9       | 25.2       | 31.9       | 39.9       | 60.1        | 34%        |
| PAT              | Rs. Crore        | 2.6        | 5.0        | 6.5        | 10.4       | 21.0        | 69%        |
| EPS              | Rs./Share        | 8.2        | 6.6        | 8.3        | 10.1       | 20.4        | 25%        |
| Net Worth        | Rs. Crore        | 36.4       | 47.5       | 66.3       | 76.6       | 113.6       | 33%        |
| Sale Volume*     | (Lacs M.T.)      | 0.96       | 1.00       | 1.38       | 1.58       | 2.26        | 24%        |

## Earnings in Per Metric Ton (PMT)

|        |         |       |       |       |       |       |     |
|--------|---------|-------|-------|-------|-------|-------|-----|
| EBIDTA | Rs. PMT | 1,974 | 2,517 | 2,319 | 2,518 | 2,661 | 8%  |
| PAT    | Rs. PMT | 271   | 497   | 472   | 655   | 929   | 36% |

## Financial Ratios

|                     |     |       |       |       |       |       |  |
|---------------------|-----|-------|-------|-------|-------|-------|--|
| EBIDTA              | (%) | 4.9%  | 5.5%  | 6.3%  | 6.3%  | 5.9%  |  |
| PAT                 | (%) | 0.7%  | 1.1%  | 1.3%  | 1.6%  | 2.1%  |  |
| ROI/ROCE            | (%) | 11.9% | 14.7% | 15.2% | 15.8% | 19.1% |  |
| ROE                 | (%) | 7.8%  | 11.9% | 11.4% | 14.5% | 22.1% |  |
| Sales Value Growth  | (%) | 4.12% | 19%   | 10%   | 26%   | 59%   |  |
| Sales Volume Growth | (%) | 2.38% | 5%    | 38%   | 15%   | 43%   |  |

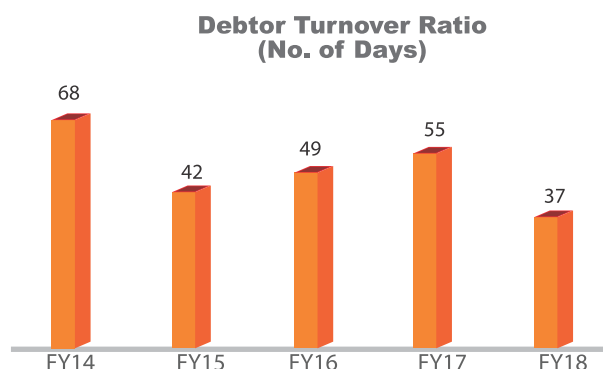
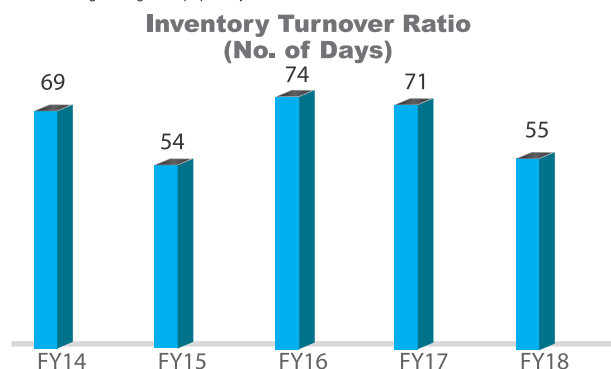
## Ratio in Times

|               |       |      |      |      |      |      |  |
|---------------|-------|------|------|------|------|------|--|
| Debt / EBIDTA | Times | 5.83 | 4.31 | 4.24 | 4.23 | 4.03 |  |
| TOL / TNW     | Times | 5.18 | 3.54 | 3.21 | 3.70 | 2.97 |  |
| Debt Equity   | Times | 3.03 | 2.29 | 2.04 | 2.21 | 2.14 |  |
| Current Ratio | Times | 1.10 | 1.15 | 1.27 | 1.20 | 1.20 |  |

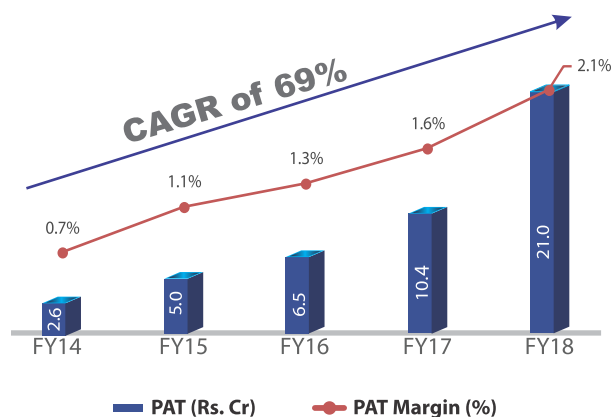
## Turnover Ratios in Number of Days

|                    |       |    |    |    |    |    |  |
|--------------------|-------|----|----|----|----|----|--|
| Debtor Turnover    | NoD's | 68 | 42 | 49 | 55 | 37 |  |
| Inventory Turnover | NoD's | 69 | 54 | 74 | 71 | 55 |  |

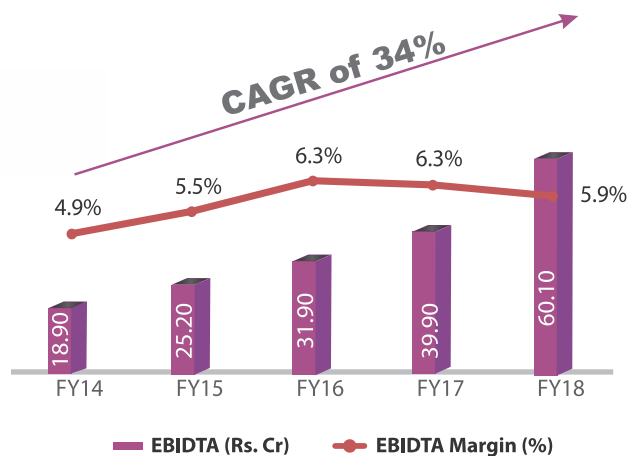
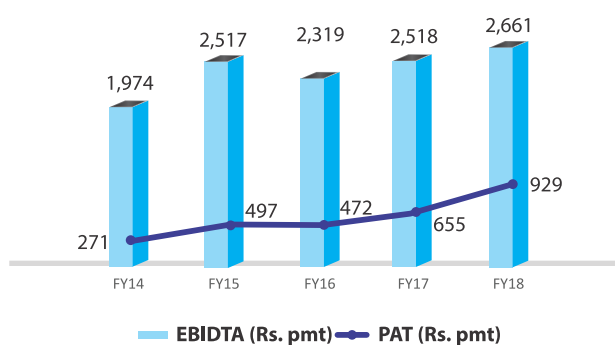
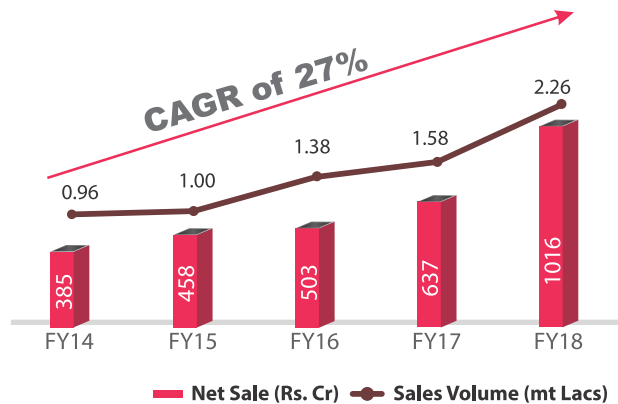
\* Excluding trading & scrap quantity



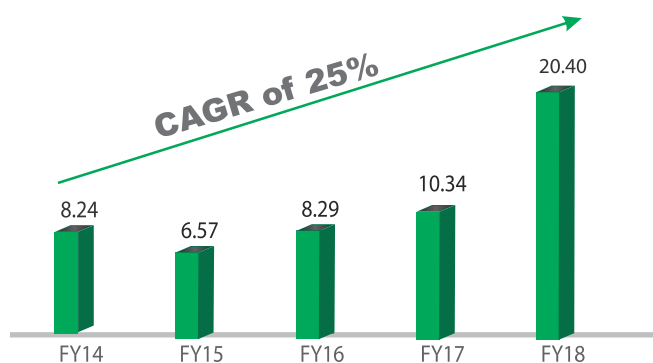
## Profit after Tax (Rs. Cr)



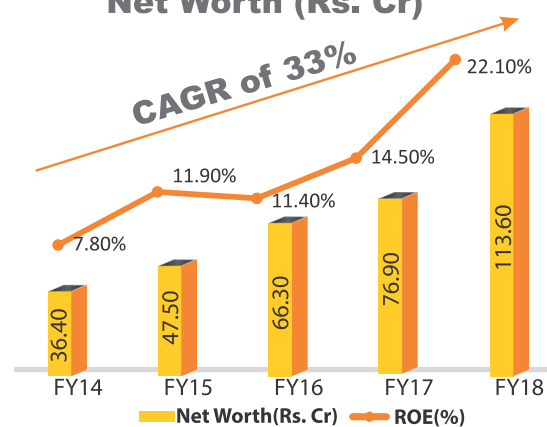
## EBIDTA (Rs. Cr)

Earnings Per Metric Ton  
(Rs. pmt)Net Sales (Rs. Cr) &  
Sales Volume (mt Lacs)

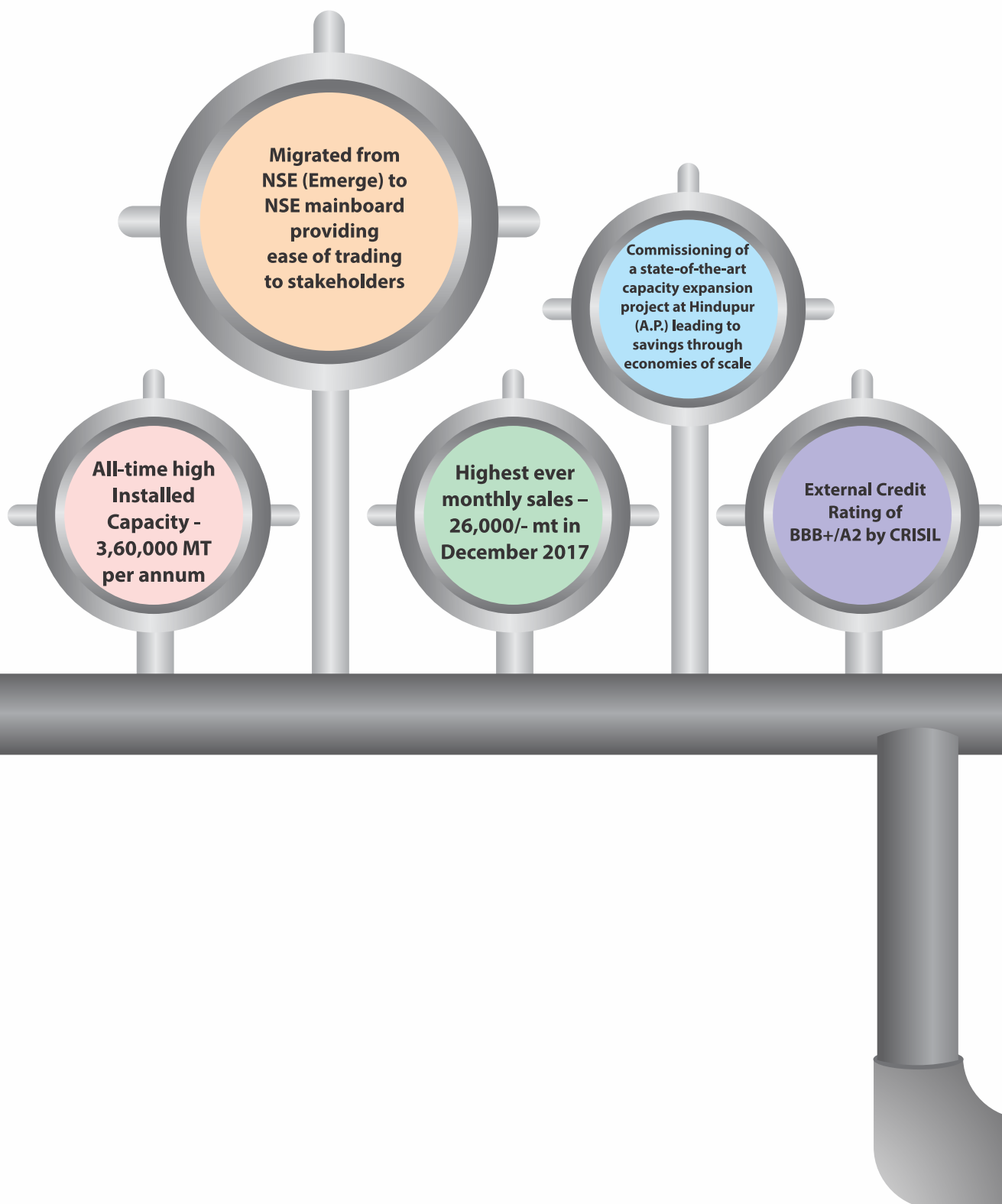
## Earning Per Share (Rs.)



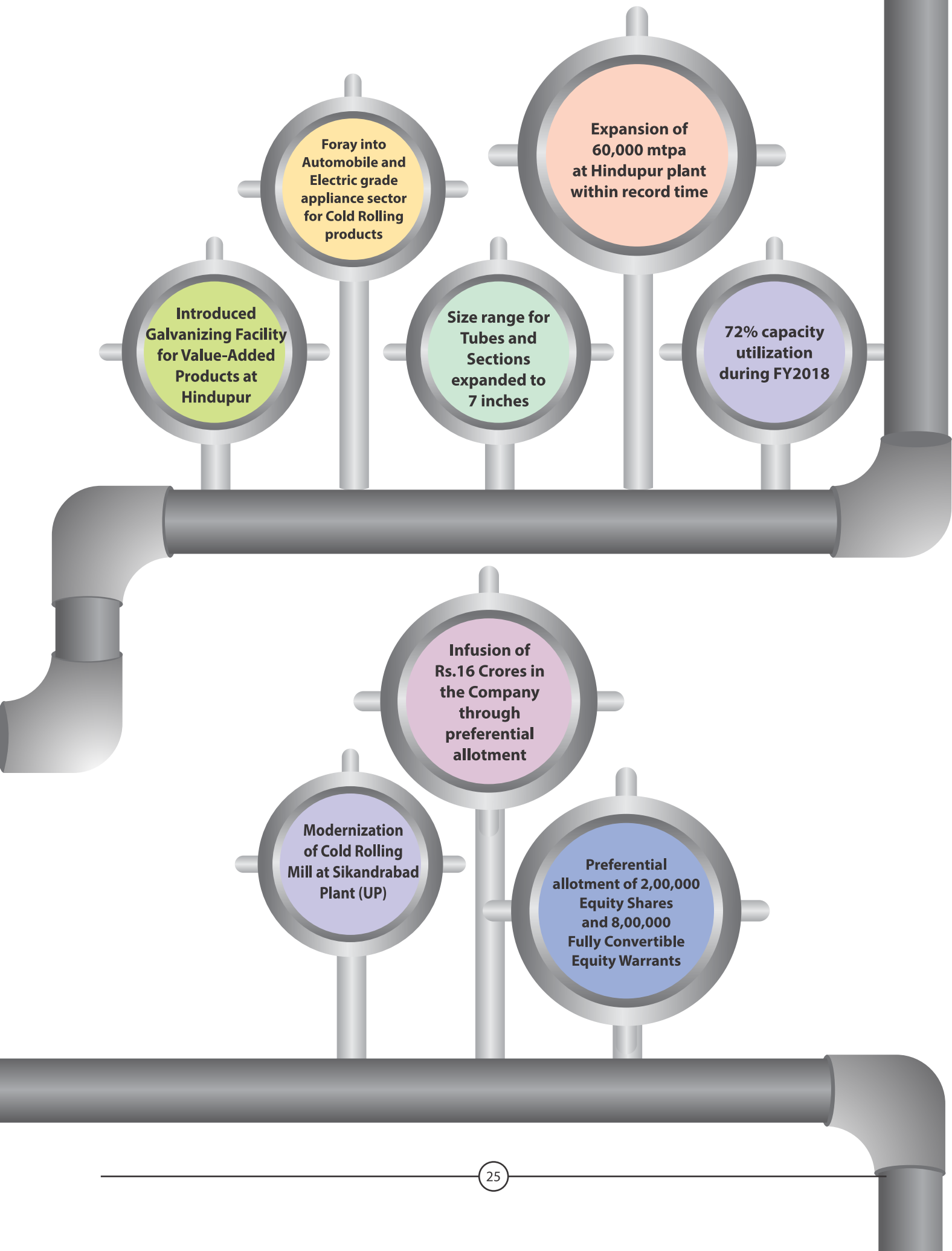
## Net Worth (Rs. Cr)



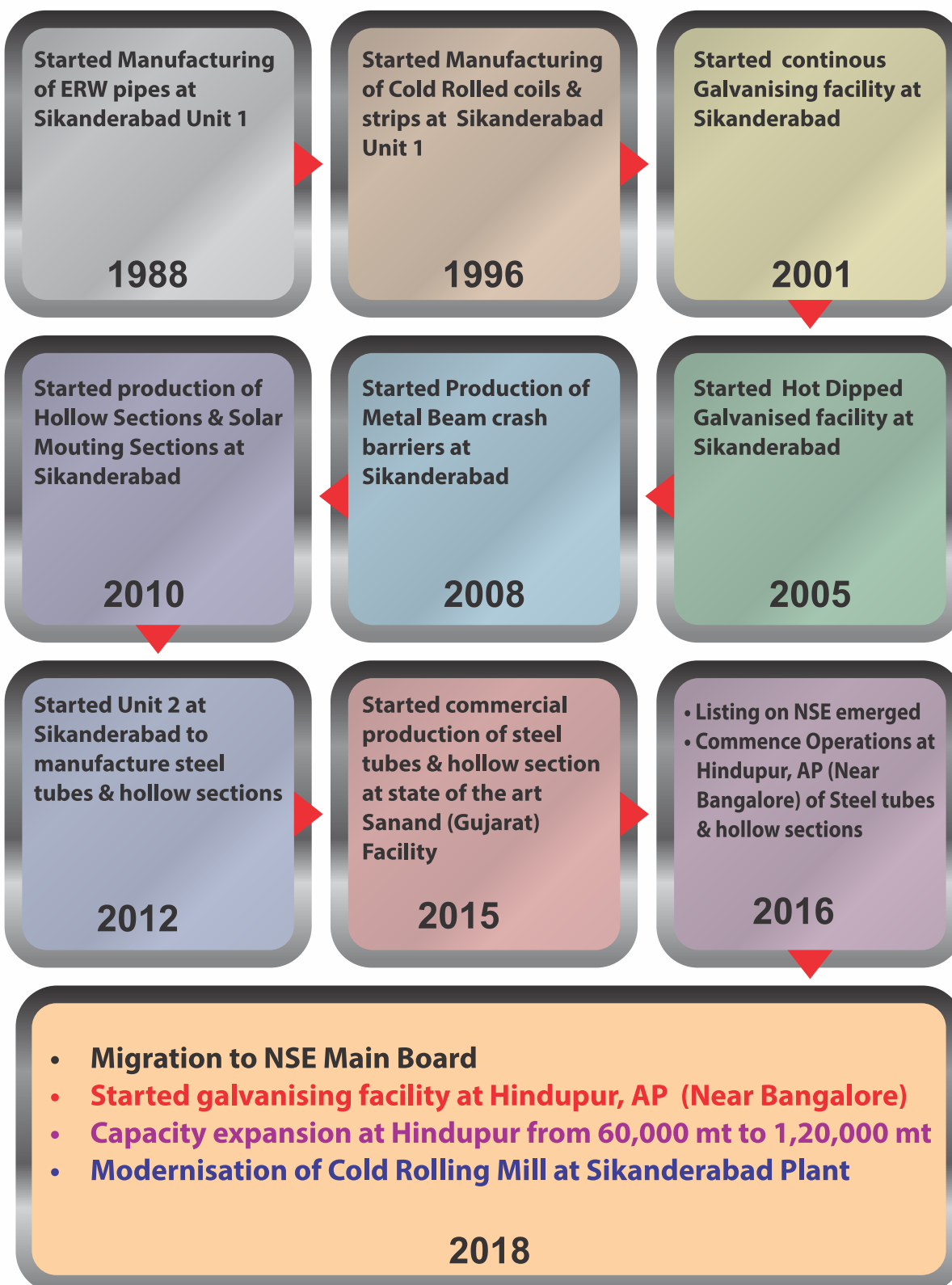
# OPERATIONAL HIGHLIGHTS







# OUR JOURNEY THROUGH THE YEARS



# AWARDS & RECOGNITIONS

At Hi-Tech Pipes our quest is to achieve excellence across our business operations and deliver customer satisfaction with highest quality products and solutions. As we continue on the mission to deliver value to stakeholders, getting recognized for our efforts through the journey keeps us going with lot of energy and encouragement. During FY 2018 too, Hi-Tech Pipes was recognized on various platforms for its pursuit of excellence and value creation.



## SKOCH ORDER OF MERIT

Hi-Tech Pipes Ltd was awarded with "SKOCH ORDER OF MERIT" by qualifying amongst TOP 100 SMEs in India at the SKOCH Awards 2018 – 51st SKOCH SUMMIT STATE OF INCLUSION AWARDS.

## INDIA'S BEST COMPANY OF THE YEAR AWARD 2017

Hi-Tech Pipes was recognized as "India's Best Company" at "India's Best Company of the Year Awards 2017". This recognition came in the category of "India's Best Steel Pipes Manufacturing Company" conducted by International Brand Consulting Corporation, USA.





# BOARD OF DIRECTORS



## **Mr. Ajay Kumar Bansal**

*Chairman and Managing Director*

Mr. Ajay Kumar Bansal is an industry stalwart with over 35 years of experience in the steel industry. As the Chairman of FII (Steel Tube Panel) he has successfully represented the industry at various national and international forums. He handles the operations of the Company with a team of experienced professionals through his strategic planning and identification of new growth drivers. Handling the dual responsibilities as a Chairman and Managing Director, he is the guiding force behind the Company. He can be credited for the Company's impressive track record and growth from one manufacturing unit in 1988 to four manufacturing units spread across the country.



## **Mr. Anish Bansal**

*Whole-Time Director*

Mr. Anish Bansal handles the portfolio of Executive Director of the Company. Having completed his B.Sc. (Economics) in Banking and Finance from the Cardiff University, England, he has over 12 years of experience in business development and administration. His area of expertise includes corporate finance, strategy, marketing, product development, project implementation, international trade and finance along with other corporate matters. He works in close coordination with the management team to handle the Company's expansion plans and financial portfolio.



## **Mr. Ajay Sahay**

*Non-Executive Independent Director*

Mr. Ajay Sahay completed his B.Tech from BITS in 1979 and has over four decades of experience working with Tata Steel handling various profiles. He has a rich experience of over 25 years in sales and marketing across India. He was instrumental in the implementation of value management in Distribution of Cold Rolling products across India. He has been regularly involved with the Government and assisting in streamlining various acts, regulations and guidelines for making "Ease of Doing Business in India" more meaningful.

**Mr. Vivek Goyal***Non-Executive Independent Director*

Mr. Vivek Goyal has a Masters degree in Finance and Control, and is a member of the Institute of the Chartered Accountants of India (ICAI). He has also completed various certification courses on the concurrent audit of Banks from ICAI. Mr. Goyal has over two decades of experience in handling large and mid-size clients across several industries in the field of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring initiatives. He is a senior partner in M/s Vivek Prem and Associates, a reputed accounting firm in Chandigarh.

**Mr. P.K. Saxena***Non-Executive Independent Director*

Mr. P.K. Saxena, has a Master's in Physics and Finance and is also a Certified Associate of Indian Institute of Bankers (CAIIB). He is retired DGM (Punjab National Bank). During his more than three-decade tenure as a banker, he worked across various domains in banking such as Bank Management, Product Enrichment and Distribution to maximize profit. He has significant experience in the field of Operational Control, Credit Management, Business Analysis, Pre/Post Sanction Follow up, Data Analytics, Foreign Exchange loan syndication, NPA recovery management, monitoring and follow up with SMA Accounts and all other aspects of banking.

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

Ms. Tanvi Kumar is the Non-Executive and Independent Director of the Company. She has completed her law degree from the ILS Law College, Pune, Maharashtra in the year 2009 and has significant experience in handling corporate litigation matters. She is member of the Bar Council of India. She is also a senior associate with Khaitan and Company and has also attended mock sessions of the UN Assembly.

# MANAGEMENT TEAM

## **Mr. Ajay Kumar Bansal**

*Chairman and Managing Director*

With over 35 years of experience, Mr. Bansal handles the strategic planning and identification of new growth drivers for the Company.

## **Mr. Anish Bansal**

*Executive Director*

With over 12 years of experience, Mr. Anish Bansal is responsible for the administrative aspects and corporate finance of the Company along with the formulation of business development strategies.

## **Mr. Ashok Aggarwal**

*Head Commercial*

Mr. Aggarwal has over 32 years of experience in steel procurement at competitive prices from Steel suppliers viz. SAIL, Tata Steel, Essar etc.

## **Mr. Arvind Bansal**

*Chief Financial Officer*

Mr. Bansal is a Chartered accountant with over 20 years of experience in matters related to Corporate Finance, Corporate Restructuring, Taxation, Capital Market, Management Information System and Accounting.

## **Mr. Sanjeev Babbar**

*General Manager Works*

Mr. Babbar, an engineer by education, is responsible for matters related to production, man management and productivity improvement.

## **Mr. Ravindar Tiwari**

*Head - Sales and Marketing*

Mr. Tiwari, has a done Masters in Business Administration and handles the sales and marketing functions efficiently with his rich experience.

## **Mr. Anand Amin**

*Head - Projects*

Mr. Amin is an engineer by education and handles the matters related to project planning and execution.

## **Mr. Santosh Rai**

*Head- Accounts and Finance*

Mr. Rai is a qualified Chartered Accountant and heads the accounts and finance department of the Company.

## **Mr. Arun Sharma**

*C.S. and Compliance Officer*

Mr. Sharma is a qualified Company Secretary and handles all the duties related to the Company's Secretarial work along with ensuring fulfilment of various compliances.



# CORPORATE SOCIAL RESPONSIBILITY

Hi-Tech Pipes is a socially committed organization continuously working towards improvement in the environment around us and contribute towards the society as a responsible corporate citizen. We have a tradition of acting in an ethical and accountable manner for development of communities where we have our presence. Our CSR policy has been designed around the principles of: -

**Providing a holistic working environment for our employees**

**Set benchmarks for our ethical behaviour**

**Upkeep of the environment and our surroundings**

**Development of the communities around us**

During the year under review Hi-Tech Pipes contributed to its social responsibility with following actions:

- ✦ Hi-Tech Pipes adopted three dry ponds to ready and maintain them as Rain Water Harvesting setup for a period of three years. All three setups are done in Sikandrabad area of Bulandshahar District of Uttar Pradesh, India. With these initiatives, Hi-Tech Pipes wishes to leave least impact on environment while conserving the nature and natural resources.
- ✦ Hi-Tech Pipes also made financial contribution in the Corpus Fund of Maharaja Agrasen Hospital, Charitable Trust, Rohtak Road, West Punjabi Bagh, New Delhi. The purpose of this contribution is to strengthen healthcare services for the society.
- ✦ Hi-Tech Pipes has in November, 2017, installed 4,00,000 kWh/Year capacity Rooftop Solar Power Project at its Sanand, Gujarat facility. This initiative is in line with our commitment to environment and making ourselves energy self-sufficient



# MESSAGE FROM THE CHAIRMAN

## Dear Shareholders,

It gives me an immense pleasure to report that FY18 was a year of robust performance by our Company. As India invests in creating world-class infrastructure to achieve its potential growth, the Company have recorded impressive growth during the last financial year, while playing a vital role in nation-building.

## Global & Domestic Economic Developments

The favorable global financial conditions and strong sentiments are expected to keep the global GDP growth momentum strong.

Domestically, considering the pace of reforms by the Central government and focused policy decision to boost the domestic manufacturing activities, India is now emerging as one of the fastest growing country with over 7% GDP growth. Historic indirect tax reform, GST with the aim of "one nation one tax" coupled with ease of doing business has simplified the tax compliances and overall improved the business scenario. Improvement in India's economic fundamentals has accelerated during the year, due to the combined impact of strong government reforms and focus on infrastructure growth.

## Steel Sector Update

Overall outlook on the steel sector has turned positive during the year. The challenges of domestic steel sector has eased due to a slew of protective measures taken by the government. Also, the ongoing capacity rationalization in China would be beneficial for the

sector. While a positive macro environment aids the fortunes of the most companies, only well-prepared ones, can make a quantum leap. Our Company's decisive performance validates our preparedness.

## Performance Overview and the Way Ahead

Our Company delivered a robust financial performance and all-round growth across all the parameters and is likely to see this trend of improvement continuing in future. The Company is perfectly positioned to be the key beneficiary of industry opportunities, as evident from our total net sales in FY18 clocking Rs.1016 crore, marking a remarkable growth of 59%, crossing a milestone of Rs. 1,000 Crore.

It was driven by higher capacity utilization and modernization of existing facilities. Operating profit went up by 51% in the current year and PAT for the full year grew two fold and stood at Rs.21Crore. Capacity utilization was healthy at 72% with 2.26 lakhs mt production as against 1.58 lakhs mt in the previous year. Our products were used across a wide spectrum of sectors and by diverse consumer segments. During the year under review, our Company has completed prestigious projects of Reliance Telecom Tower, Delhi Metro, Airport Authority, MMRDA, NHAI to name a few.

During the year, the Company has introduced a range of customised and value-added products, these are margin accretive products for the entire portfolio. Also, the Company is foraying into new market segments viz. Solar Structure, Green Houses, Electrical Projects etc. Our Company is now a reputed brand in the industry with a network of over 300 distributors across India, and

**The industry will gain from improved sales realisations driven by improvement in operational and financial performance in FY19. The domestic steel sector eased due to a slew of protective measures taken by the centre, also ongoing capacity rationalisations in China would be beneficial for the sector.**

the company is also associated with leading and reputed architects, builders & contractors. With innovative and customized product in pipeline, the Company's position will further strengthen in coming years.

During the year, Installed capacity of the Company has increased to 3.6 Lakhs mt per annum from 3 Lakhs mt per annum in previous year. During the year the Company has added 0.60 lakhs mt per annum capacity at Hindupur Plant and has also installed a Galvanizing Hot dip their. The Company is in the process of adding 60,000 mt capacity at Sanand Plant, which is expected to be operational in 2nd quarter of FY 19, with this addition, Our total capacity will reach to 4.2 Lakhs mt per annum.

To fund our future growth prospects and to further strengthen our balance sheet, the Company has done a preferential issue during the year. Also, the Company's board has been strengthened with the appointment of new reputed independent directors. During the year, our Company's long-term credit rating also got upgraded to BBB+ & A2 by CRISIL.

#### **Future outlook**

Further, our company aspires to achieve installed capacity of one million ton down the line to cater the upcoming demand. All expansions of company were completed in record time. With the completed projects and planned expansions, company is getting ready to further address untapped market opportunities.

#### **Award & Recognition**

The Company's performance was recognized in reputed national and international organizations. Our Company

qualified in TOP 100 SME's IN INDIA at SKOCH Awards 2018 and was awarded "SKOCH ORDER OF MERIT". The Company also received INDIA's BEST COMPANY OF THE YEAR AWARD 2017 in the category of India's Best Steel Pipe Manufacturing Company by International Brand Consulting Corporation, USA.

#### **Migration to Main Board of NSE**

The Company marked another major milestone by successfully migration to main board of the National Stock Exchange. This reflects the strong investment proposition that has been offered to the Company's shareholders.

As a part of our overarching aspiration to create significant and sustainable societal value, the Company contributed for the Construction of Maharaja Agrasen Medical University at New Delhi.

The Company has faith in its human capital and ensures good Corporate Governance. Our enduring success would not have been possible without the support and co-operation of our people, partners and associates. My heartfelt gratitude goes to the Board of Directors, for their invaluable guidance throughout this exciting journey. Finally, let me reiterate my gratitude to the shareholders for their continued faith reposed in the Company.

And of course, we look forward to your continued support and best wishes.

With Best Regards,

**Ajay Kumar Bansal**

## Management Discussion & Analysis

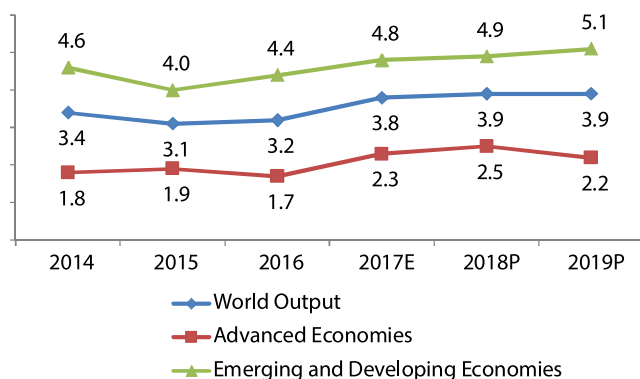
### WORLD ECONOMY

The global economic environment is stabilizing, recovery is seen with a rebound in investment, trade and manufacturing activity. This is driven by accommodative policies and firming commodity prices. The tax rate cut by the United States will have an overall favorable impact, while in the short term, impact in the United States will be mostly driven by investment in response to the policy changes. Growth in advanced markets is driven by a recovery in capital spending and exports. The pickup in investment is reflected in increased capacity utilization, favorable financing conditions, rising profits and business sentiment.

As per IMF, World output grew at 3.8% in 2017 because of rebound in global investment, it is projected to increase at 3.9% in 2018 and 3.9% in 2019. Economic activity in advanced economies is forecasted to grow at 2.5% in 2018 and 2.2% in 2019 as compared to 2.3% registered in 2017.

Emerging market and developing economies are forecasted to grow at about 4.9% and 5.1% in 2018 and 2019 respectively. Growth in emerging markets reflects firming activity in commodity exporters and continued solid growth in commodity importers.

**Table showing Output in Various economies:**



(Source: IMF, World Economic Outlook Report dated April 2018)

### INDIAN ECONOMY

As per IMF, Indian economic is projected to achieve a 6.7% growth rate in 2017, gradually recovering from the transitory

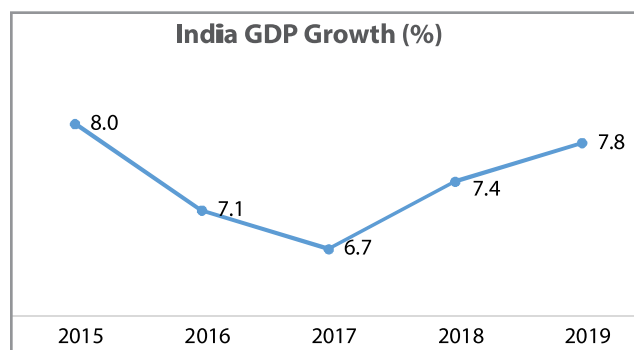
adverse impact of GST rollout and demonetisation. The Indian GDP growth is expected at 7.4% and 7.8% in 2018 and 2019 respectively. This growth will be largely driven by the accelerated pace of structural reforms, focus towards a rule-based policy framework and improvement in ease of doing business. India's recent reforms are expected to encourage formal sector activity, broaden the tax base and improve long-term growth prospects.

GST will create single market, increase productivity, boost corporate investment and help in reducing the cost of capital equipment. Investment will be further supported by the plan to re-capitalise public banks and by new road building ambitions. On the Direct tax front, the plans to reduce the corporate income tax rate and broaden the base will also promote growth.

As a reflection of the cumulative actions to improve the business environment, India's rank jumped 30 spots/points on the World Bank's Ease of Doing Business rankings. Although higher oil prices kept Fiscal deficit and inflation higher than expected, the Economic Survey suggests that if the pace of structural reform continues and fiscal stability is kept under control, growth in medium term has the potential to reach 8%.

WPI Inflation surged in early 2017 due to a sudden spurt in global crude oil prices. The WPI inflation stood at 2.9% in 2017-18 (Apr-Dec) as against 0.7% in 2016-17 (Apr-Dec). Till July 2017, the moderation in the global crude prices led to subdued inflation. But as the oil prices bounced back, along with rise in food prices, inflation rose and reached the level of 3.6% in December 2017.

(Source: OECD report dated Nov 2017 & Economic Survey dated Jan 2018)



(Source: World Economic Outlook Report dated April 2018)

### STEEL INDUSTRY OVERVIEW

In 2018, global steel industry growth is likely to moderate, mainly due to slower growth in China, although steel demand will continue its current momentum in the rest of the world. Global steel demand is expected to reach 1,648.1 MT in 2018, and excluding China, will reach 856.4 MT registering a growth of 3.0% in 2018. The cyclical upturn broadening and firming in the demand has been seen leading to better than expected performances all across. But some risk factors continue to exist







like escalating geopolitical tension in the Korean peninsula, China's debt problem and rising protectionism in many locations.

In India, there has been continuous growth in steel production in the period from April to July 2017. During this period, finished steel production grew by 6.9% on a yearly basis to reach 34.3 MT. On the back of various initiatives undertaken by the Centre, this trend in production is expected to continue in the near future as well. The National Steel Policy, Make-in-India and other policies of the Cabinet further signals the government's support towards the industry. Also, production growth is expected to revive due to a pickup in domestic demand and favourable international steel prices, enabling an export push.

**(Source: Care report Dated Sep 17, 2017)**

## STEEL PRICES

The average domestic flat steel prices showed an upward trend and were higher by 5% to 20% during the period compared to the corresponding period of previous year. The similar trend was followed by prices of long steel products. This price increase was witnessed across all the markets and can be attributed to the growth in international steel prices.

## EASE OF DOING BUSINESS IN STEEL SECTOR

Various initiatives have been taken by Centre for ease of doing business and to enhance the quality and availability of steel in the country, few of them are listed below:

- ❖ Opening steel industry for the private sector by removing from the list of industries reserved for public sector.
- ❖ Exempting the steel sector from compulsory licensing.
- ❖ Government has permitted imports of foreign technology as well as foreign direct investment up to certain limits under an automatic route.
- ❖ Allocation of iron ore to 'specified end use', it would

enhance raw material availability, brings transparency in allocation of raw materials and allow transfer of captive mining leases during mergers and acquisitions. The Cabinet Secretariat constituted a Project Monitoring Group to fast track clearances of issues regarding investments of Rs 1,000 Cr.

To eliminate inferior quality of steel production, 33 items have been brought under quality control orders.

(Source: <http://steel.gov.in/ease-doing-business>)

## GLOBAL STEEL TUBES & PIPES INDUSTRY OUTLOOK

For the last several years, global steel pipe production has witnessed an upward trend but this trend seems to have turned with marginal growth in 2015. Output dropped in 2016 by 3% to 164 MT. This was due to sustained reluctance of energy industry to invest across the world. Moderate growth was witnessed in North America, the CIS, and China, while European steel pipe producers outperformed, achieving a growth of 4%. However, the fact that China continues to hold as a dominant position in the steel pipe market is hard to overlook.

Raw material prices surprises positively, which finally stopped falling. With this, the outlook for the steel pipe industry has improved with investment in the energy sector, that had slowed down after the crude oil price collapse in 2015. The cyclical upswing in the raw material and steel prices should benefit the sector. Going forward, the Global steel and tube industry's outlook remains positive and the industry will witness healthy growth in the medium term (Source: The Fabricator.com dtd December 2017, <https://www.thefabricator.com/article/shopmanagement/taking-a-bird-s-eye-view-of-the-global-steel-pipe-and-tube-market>)

## STEEL TUBES INDUSTRY:

With enhanced government focus on rapid industrialization and

infrastructure development, investment in the Indian economy is continuously ramping up. Various initiatives of the government have led to increased real estate development, construction and commercial activities. Due to these drivers, the demand of steel tubes market is expected to grow rapidly. In India, the process industries and the infrastructure and construction industries are primary consumers of steel tubes. The galvanized steel tubes market will grow in proportion of construction in India. The thrust to serve the demand will be on the back of organic and inorganic growth in the capacity, improved product quality and use of modern technology by industry players.

Apart from the traditional end use of the steel tubes in real estate segment, steel tubes are now widely used in various niche areas, some of them are listed below:

- ❖ Industrial Sheds, Steel Furniture, Bridges, Low cost Steel Housing, Airports
- ❖ Tripper/Trailer body, Bus Body Structures, Cranes | Towers, Material Storage Racks
- ❖ Road Dividers, Railway Wagon, Railway Coaches, Hoardings, Machine Components
- ❖ Pre-fabricated House, Automobile Chassis, Telecom Towers, Scaffoldings
- ❖ Mine roof support system, Bridge Railing, Poles / Post, Electrical Conduits
- ❖ Cooling Towers, Electrical / Telecom, Cable Ducting

Indian market is now the fastest growing global pipe manufacturing hub, due to rich raw material contents, lower costs, superior quality and geographical advantages. The Indian galvanized steel tubes market is forecasted to grow at a CAGR of 6.13% during 2017- 2021. The market is now among the fastest growing steel tubes and pipe manufacturers in the world. Along with market share gain, production is estimated at about 10 million MT. The Centre's policy push with various initiatives like Make in India, Growth in Oil & Gas segment, Housing for all by 2020, upcoming airports and metro cities will drive growth of the sector.

## MAJOR GROWTH DRIVERS IN STEEL TUBE INDUSTRY

- ❖ Emphasis on building infrastructure in every part of the country; sectors such as real estate, automobiles and telecommunications among others have potential to drive the pipe demand.
- ❖ An investment of USD 110 billion is announced for improving ports and shipbuilding industry by 2020. Investment in railways in the next five years is estimated at ₹8,50,000 Cr
- ❖ The Centre's mission of Power for All, the robust transmission line additions in beating the set targets continuously for several months now is propelling the demand for steel tubes and pipes.
- ❖ With the estimated rise in energy demand of 60.71% by 2025, the domestic market has huge potential to support the growth of the industry. Use of natural gas will hike the demand for pipes in harbors with huge prospects for the Indian pipe industry to penetrate into the international market as well.
- ❖ Changing lifestyles are leading to a rapid growth in air passenger traffic. This in turn has exhausted airport capacity. It is imperative that government expands/adds to the existing airport infrastructure
- ❖ The 'Housing for All' mission of Centre is a project which requires additional support of steel industry.

## BUSINESS OVERVIEW: Company Background:

Hi-Tech Pipes Limited (hereafter to be referred as the Company) has a diversified product range that caters to various sectors and industries including all reputed public sector undertakings. The Company is involved in the manufacturing of steel products like steel tubes & pipes, Hollow sections, CR Sheets and strips, Galvanized Coils & Metal Crash Barriers. The Company is a market leader in Crash Barrier segment and is foraying into Solar Structures segment.





With a vision of marking itself in the list of global reputed companies, the Company uses advanced technology and has high quality specialized products. The Company is now foraying into new high quality products and high margin businesses like manufacturing of high quality Precision Tubes at Sanand and Hindupur facilities, Solar mounting structures segment at Bangalore and has started commercial production of Galvanized Steel Tubes at Hindupur facility.

### Strong Project Execution:

With its rich green-field & brown-field project execution capabilities, the Company has successfully set up & commissioned its New Factory at Sanand and Hindupur in a record time of 10 months. Also, the capacity expansion at the existing facilities was done in a record time. With this expansion in place, the Company will be able to strengthen its base in the Western & Southern market and is set to tap opportunities for value added Galvanised Pipe in Southern market. Through continuous innovation, productivity optimisation, de-bottlenecking and yield improvement, the Company aims to achieve the leading position in the industry.

### Strong Brand Image & PAN India Distribution Network:

The Company has more than 300 distributors on pan India basis and enjoys a healthy relationship with leading Architects, Builders & Contractors. The Company is now among preferred Brands and is registered with all leading industrial consumers and approved by leading Architects, Builders and Contractors. Reputed names like L&T, NHAI, EIL, BHEL, DMRC, PGCIL, AAI, MMRDA, PWD, MES, RIL etc. prefer the Company's products due to its superior quality, competitive price, transparency and trust in mutual relationship.

### Company's Outlook

The Company aspires to reach one million mt installed capacity in near future, marking its presence pan India as well as in international markets. Further to keep up the pace of growth, the Company is focusing on value creation through addition of new value-added products, market expansion, creation of new product applications and setup of new manufacturing facilities at strategic locations.

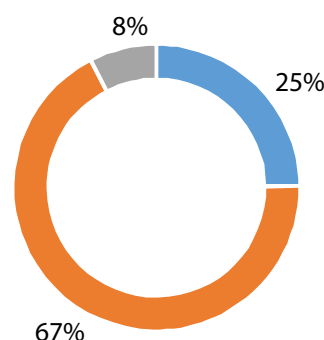
### Performance Overview:

The Company has achieved another year of growth. It has increased installed capacity by adding a facility for production of Steel Tube at Hindupur with annual capacity of 60,000 mt

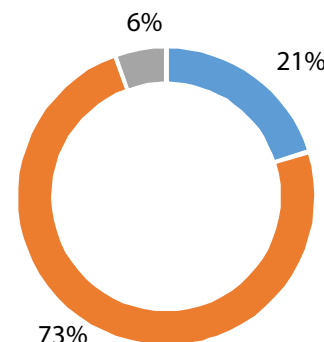
thereby increasing capacity from 3,00,000 mt to 3,60,000 mt in the year 2017-18. Capacity utilization was at 72% with 2,26,000 mt in the year under review as against 1,58,000 mt in the previous year.

The Company's revenues for the year marked a growth of 59% and stood at ₹1,016.0 Cr as compared to ₹637.4 Cr in the previous year. Growth in sales was led by modernization of Cold Rolling facilities at Sikanderabad Plant and improved capacity utilization of Sanand facilities and new facilities at Hindupur. EBITDA stood at ₹60.1 Cr with margin of 5.9% during the year as compared to ₹39.9 Cr in the previous year. Net profit for the year was up by more than 100% at ₹21 Cr in the current year as compared to ₹10.4 Cr in the previous year. The Company is continuously focusing on introduction of high margin, customized & value added products to improve its bottom line.

**Sales Contribution FY 17 (₹ Crores)**



**Sales Contribution FY 18 (₹ Crores)**



The revenues from Tubular segment registered a growth of 75 % over the last year. Tubular segment contributed 73% of the total revenue as compared to 67% in the previous year. Revenue from Flat steel segment and engineering products grew at 37% and 21% over the previous year and contributed 21% and 6% respectively to total revenues.

The Company's balance sheet position remained healthy and the Company closed the year with 48% increase in networth at ₹113 Cr. At the end of the FY18, the Company has a total debt of ₹243 Cr with debt/equity ratio of 2.14 times. Debtors cycle days has reduced 37 days as against 55 days in the previous year.





## Strengths, Weakness, Opportunities and Threats (SWOT Analysis)

### Strengths

- ❖ With modernised manufacturing units and with ongoing expansion, the Company possesses a fully equipped research laboratory with the latest equipment. This helps in producing innovative products that will support market competitiveness.
- ❖ The Company has highly qualified and experienced professionals of the industry. It believes that manpower and technology are the key drivers of business. Technology continues to support business operations and drive competitive advantage for the Company.
- ❖ 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 increased its installed capacity from 3,00,000 mt to 3,60,000 mt. The Company has achieved capacity utilization of 72% with 2,26,000 mt in the year 2017-18 as against 1,58,000 mt in the previous year. In order to optimize inventory cost, the Company follows 'Just in time' policy for inventory, these focus and initiatives reduced the inventory days to 55 days in last year as against 71 days in previous year.
- ❖ The Company has Multi located production units and skilled manpower and investments in state of the art machineries and technologies. This gives it an edge over other steel players. This has also enabled the Company to produce superior quality products with cost efficiencies.
- ❖ The Company has well experienced and quality focused Management bandwidth. The Management is committed to deliver world class quality products to its customers in the shortest time, leading to improved customer relationship.

### Weakness

- ❖ The Company is dependent on few suppliers for majority of raw materials like HR Coils and Skelp. Any disruption in supply of raw materials from these suppliers or not favorable procurement terms, these issues could adversely affect the Company's financial performance.
- ❖ The Company manages sales operations with its dealers and distributors network. The revenue growth has a linear

correlation with the sales operations. The Company's inability to maintain network may result in loss of market share.

- ❖ The industry in which we operate is a capital intensive. The financing requirement 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.

## Opportunities

**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 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.

**Government Polices:** Various government schemes like Housing for all, Smart Cities projects, 24X7 Electricity, National Highway Development Program, 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 business.

**Infrastructure:** Investment in infrastructure by NITI Aayog is expected to be 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.

**Oil and gas:** There is lucrative opportunity in the Oil and gas segment for the steel industry as it is amongst major end-user segment accounting for ~34.4% of primary energy consumption.

**Capital Goods:** The capital goods sector accounts for 11% of steel consumption and expected to increase to ~14% by 2025-







26 and has the potential to increase in tonnage and market share. Corporate India's capex is expected to grow and generate greater demand for steel.

**Power:** The government targets capacity addition of 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.

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

**Automotive:** The automotive industry is forecasted to grow in size by USD 74 billion in 2015 to USD 260-300 billion by 2026. With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.

**Airports:** In FY17, the number of operational airports stood at 94 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. Development of Tier-II city airports would sustain consumption growth.

**Railways:** 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 the steel industry.

### Threats

The Company's key raw material is steel which is used in manufacturing of the product ranges. Steel prices are volatile and are affected by global factors and reflect 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. The Company has put in place various measures to minimize the adverse effect of volatile prices of raw materials in the business.

Nowadays, industry has become highly 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 Mitigation Strategies

The Company has a well-documented risk management policy. This policy is reviewed by the Management periodically and is appropriately modified wherever necessary. The dynamic macro-economic environment and internal business drivers 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





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 leverages past project management expertise.

5. **Market related risks:** Competition from other materials, 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 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.

8. **Price Fluctuation Risk:** The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on the Company's results of operations and financial condition. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates.

**Mitigation Strategy:** The Company passes off such negative impacts to its clients partially or completely by adding price escalation clause in most of the contracts. In case of firm price contracts, Company tries to pass on back to back firm price contract to its vendor/contractor

and/ or also hedge itself through price discovery, wherever possible.

9. **Safety Risk:** The Company is exposed to potential source of harm or adverse health effect on a person or persons by nature of its operations.

**Mitigation Strategy:** The Company is committed to conduct all its activities in such a manner so as to avoid harm to employees and the community.

10. **Credit Risk:** Credit risk happens when debtors are not able to pay their dues. The Company with a wide spectrum of customers is prone to bad debt risk.

**Mitigation Strategy:** The Company prefers clients with a good credit history that are supported by reputed financial institutions.

### 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 follows statutes, 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 that allows for easy assimilation of ideas and enriches its 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 processes across all levels through a blended learning approach of in-house programs and external training encompassing behavioral & management areas. The Company fosters work-life balance and several health & wellness initiatives are offered on an ongoing basis. The Company maintains a cordial relationship with 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 its CSR Policy on the basis of guidelines issued by Department of Public Enterprises and the provisions of Companies Act, 2013. The CSR Policy of the Company sets the framework guiding such activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that

would be undertaken. Our CSR Committee governs over and articulates the scope of CSR activities, thus ensuring compliance with CSR policy.

During the year, total expenditure on CSR in pursuance to Section 135 of the companies Act, 2013 was ₹5.40 Lakhs

### **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 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 worldwide, 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 take pleasure in presenting their 34th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2018.

### 1. FINANCIAL SUMMARY OR HIGHLIGHTS

A brief overview on Standalone and consolidated Financial Performance for the Financial Year ending March 31, 2018 is as follows:

(₹ in Lakhs)

| PARTICULARS  | STANDALONE     |                | CONSOLIDATED   |                |
|--|----------------|----------------|----------------|----------------|
|  | 2017-18        | 2016-17        | 2017-18        | 2016-17        |
| Net Revenue from Operations                              | 81998.22       | 58947.48       | 101416.03      | 63548.18       |
| Other Operating Revenue                                  | 153.34         | 188.52         | 153.34         | 194.72         |
| Other Income   | 178.60         | 253.54         | 131.01         | 238.78         |
| Operating Profit before Finance Costs, Depreciation, Tax | 4753.82        | 3904.02        | 6145.39        | 4228.14        |
| Less: Depreciation and amortization expenses             | 327.49         | 612.43         | 400.07         | 693.73         |
| Finance Cost   | 2286.85        | 1972.59        | 2742.83        | 2044.57        |
| <b>Profit before Tax and Exceptional Expenses</b>        | <b>2139.48</b> | <b>1319.00</b> | <b>3002.48</b> | <b>1489.24</b> |
| Less: Tax Expenses                                       | 683.48         | 439.50         | 901.67         | 451.09         |
| Net Profit for the Year from Continuing operations       | 1456.00        | 879.50         | 2100.81        | 1038.15        |
| Net Profit for the Year from Discontinued Operations     | 0              | 0              | 0              | 0              |
| <b>Profit for the year</b>                               | <b>1456.00</b> | <b>879.50</b>  | <b>2100.81</b> | <b>1038.15</b> |
| Other Comprehensive Income                               | -              | -              | -              | -              |
| Total comprehensive income for the year, net of tax      | 1456.00        | 879.50         | 2100.81        | 1038.15        |
| <b>Earning per equity share (Face Value of ₹10 each)</b> |                |                |                |                |
| - Basic  | 14.13          | 8.54           | 20.39          | 10.08          |
| - Diluted  | 12.88          | 8.54           | 18.59          | 10.08          |

2. The Financial Year ("FY") 2017-18 was one of the significant year in terms of growth and sustainability. During the FY under review, total revenue of the Company has gone up by 59% and Profit after tax has gone up by 102% in comparison to the previous year. Your Company achieved a healthy growth across product categories, revenue grew by ₹378.26 Cr., highest since inception. Profit before tax has increased from ₹14.89 crores to ₹30.02 crores during 2017-18, witnessing a growth of 102% on year to year basis.

### 3. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS

Your Company is a Multi Product company marking its presence in steel pipes, hollow sections, tubes, cold rolled coils & strips, road crash barriers, solar mounting structures and a variety of other galvanised products since more than 3 decades. The end uses of these products are in high-rise buildings, metro stations, bridges, dams, refineries, telecom, airports, highways, power projects, Agriculture, Automobiles etc.

During the year under review, your Company's State of Affairs can be stated in a nutshell as follows:

- ❖ Total Installed Capacity has reached an all-time high of 3,60,000 mtpa per annum.
- ❖ Galvanizing Facility introduced for Value-Added Products, at Hindupur Plant.

- ❖ Foray into Automobile and Electric grade appliance sector.
- ❖ Size range for Tubes and sections expanded to 7 inches at Hindupur Plant.
- ❖ Expansion of production capacities of Hindupur by 60,000 mtpa each.
- ❖ Preferential allotment of 8,00,000 Fully Convertible Warrants and 2,00,000 Equity Shares (Details given further in separate section)
- ❖ Migration of Company from SME Platform of NSE to Main Board of NSE. (Details given further in separate section)
- ❖ **Crossed ₹1000/- crores mark in Turnover.**

Further information on the Business overview of the Company is discussed in detail in the Management Discussion & Analysis.

### 4. TRANSFER TO RESERVES

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

### 5. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹0.25/- per Equity Share for the year 2017-18. The

proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹3214970/-\* (including Corporate Dividend Tax of ₹589695/-). The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on record date the Book Closure Date.

The Register of Members and Share Transfer books shall remain closed from July 7th 2018, to July 15th 2018, (both days inclusive).

\*The figure may change to the extent of conversion of fully Convertible warrants into Equity Shares on or before Book Closure Date for the purpose of Dividend.

#### 6. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (Ind AS). Accordingly, the standalone financial statements of the Company and the consolidated financial statements of the Company with its subsidiary for the financial year ended March 31, 2018, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India.

#### 7. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of the Company including the subsidiary company duly audited by the statutory auditors are presented in the Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and where applicable, Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India. A report on performance and financial position of the subsidiary company included in the consolidated financial statement is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed as **ANNEXURE-I** to the financial statements in the Annual Report. The annual accounts of the subsidiary company and the related detailed information shall be made available to Shareholders of the Company and its subsidiary companies upon request and it shall also be made available on the website of the Company i.e. [www.hitechpipes.in](http://www.hitechpipes.in). The annual accounts of the subsidiary company shall also be kept for inspection by any shareholder in the corporate office of the Company.

#### 8. AWARDS AND ACCOLADES

Your Directors are happy to report that during the year, your company received the following awards and accolades from distinguished bodies for achievements in various fields:

- a **"SKOCH ORDER OF MERIT"** award for qualifying amongst **TOP 100 SME's IN INDIA at SKOCH Awards 2018 "51 SKOCH SUMMIT STATE OF INCLUSION AWARDS"**

- a **INDIA'S BEST COMPANY OF THE YEAR AWARD 2017** in the category of India's Best Steel Pipes Manufacturing Company Awards conducted by International Brand Consulting Corporation, USA.

#### 9. 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.

##### Issue of warrants and Equity Shares

Your Company has issued and allotted 8,00,000 Fully Convertible warrants to Promoter, Promoter Group and Non Promoter category and 2,00,000 Equity Shares to Promoter and Promoter Group on preferential basis at the face value of ₹10/- each and at a premium of ₹390/- each.

##### Migration to Main Board of NSE

On completion of 2 years of being listed on EMERGE Platform of National Stock Exchange (NSE), your Company has decided to migrate to the Main Board of NSE which will enhance benefit the Company in the form of Market Capitalization, enhanced liquidity, larger participation, visibility etc.

#### 10. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the company during the Financial Year ended 31st March, 2018.

#### 11. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Anish Bansal (DIN 00670250), Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with provisions of the Companies Act, 2013.

During the year under review, Ms. Neelima Jain (DIN: 03637384), a Non-Executive Independent Director of the Company, ceased to be a Director of the Company w.e.f. 13th February, 2018. The Board appreciates her valuable contributions during her tenure as an Independent Director of the Company.

The Board, upon the recommendations of the Nomination and Remuneration Committee, at its meeting held on 30th January, 2018 has appointed Mr. P.K. Saxena (DIN-08058166) and Mr. Vivek Goyal (DIN 01183098) as Additional Independent Director of the Company and in its meeting held on 13th February, 2018 has appointed Mr. Ajay Sahay (DIN:08068961) as Additional (Independent) Director of the Company.

The Company has received consent in writing from them to act as Director in Form DIR-2 and intimation in Form DIR-8

to the effect that they are not disqualified u/s 164(2) to act as Director.

The Company has also received declaration from them that they meet the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions for appointment as Independent Director on the Board.

Mr. P.K. Saxena, Mr. Vivek Goyal and Mr. Ajay Sahay are eligible to be appointed as an Independent Director of the Company and their appointment requires the approval of members which was obtained through Postal Ballot on 17th March, 2018.

During the Year under review Mr. Anish Bansal, Director and CFO of the Company has resigned from the designation of CFO on January 22nd, 2018 to focus more on the expansion plans of the Business, therefor on the recommendation of Nomination and Remuneration Committee the Board has appointed Mr. Arvind Bansal as CFO of the Company w.e.f. January 30, 2018.

Further, the Board in its meeting held on July 18, 2017 has appointed Mr. Arun Kumar as Company Secretary of the Company on the resignation of Ms. Jesmee Tikoo.

## 12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2017-2018, the Board of Directors of the Company, met 11 (Eleven) times on 10th April, 2017, 20th April, 2017, 30th May, 2017, 16th June, 2017, 18th July, 2017, 10th August, 2017, 14th November, 2017, 30th January, 2018, 13th February, 2018, 1st March, 2018 and 26th March, 2018.

Further, the details of number of meetings of Board and various committees attended during the year by each Director/Member is disclosed in the Corporate Governance.

## 13. COMMITTEES OF THE BOARD

A detailed note on the Board and its Committees is provided in the "Report on Corporate Governance" forming part of this Annual Report. As on March 31, 2018, the Board has the following standing Committees:

### MANDATORY COMMITTEES

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Corporate Social Responsibility Committee
- iv. Stakeholders' Relationship Committee

### NON-MANDATORY COMMITTEES

- i. Executive Committee
- ii. Securities Allotment Committee
- iii. Risk Management Committee

For details of the terms of reference, meetings held during the year, membership and attendance of the members at the meetings of the above Committees of the Board, kindly refer to the "Report on Corporate Governance" forming part

of this Annual Report.

## 14. MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 1st March, 2018, without the presence of non-independent directors and members of the management, to review the performance of non-independent directors and the Board as a whole, the performance of the Chairperson of the company and also to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

## 15. 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 IND AS 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.

## 16. DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## 17. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms part of the Directors' Report and is annexed herewith as "Annexure-II".

## 18. STATUTORY AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. A.N. Garg & Co, Chartered Accountants (ICAI Firm Registration No. 004616N) New Delhi were appointed as Statutory Auditors at 33rd Annual General Meeting (AGM) of the Company held on 25th September, 2017 for a term of 5 consecutive years.

The Reports given by the Statutory Auditors on the financial statements of the Company, the consolidated financial statements of the Company and its subsidiary for the financial year ended March 31, 2018, form part of this Annual Report. There has been no qualification, reservation or adverse remarks made by Statutory Auditors in their Reports. The Statutory Auditors have not reported any frauds to the Audit Committee under Section 143(12) of the Act.

### SECRETARIAL AUDITORS AND THEIR REPORT

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 NSP & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2017 –18. The Secretarial Audit Report in MR-3 for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and are self explanatory.

### COST AUDITORS AND THEIR REPORT

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 2018-19 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.

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 to Audit the cost records for the FY 2017-18, M/s. S. Shekhar & Co. post Audit shall submit their report to Board in due course.

## 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, guarantees and investments covered under Section 186 of the Act read with the Companies (Meetings of Board and its powers) Rules, 2014, as on 31st March, 2018 are given in Notes to Accounts to the Financial statements forming part of this Annual report.

## 20. RELATED PARTY TRANSACTIONS

During the financial year 2017-18, the Company entered into transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013 read with Companies

(Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations. All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) - 24 are set out in Note 36 to the Standalone Financial Statements of the Company.

The policy on Related Party Transactions is available on the website of the Company at [http://www.hitechpipes.in/images/investorspdf/Policy\\_on\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://www.hitechpipes.in/images/investorspdf/Policy_on_Dealing_with_Related_Party_Transactions.pdf).

## 21. 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.

## 22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on Company's operational performance, industry trends and other required details prepared in compliance of Regulation 34 of the Listing Regulations forms part of this Annual Report.

## 23. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provision of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has re-constituted a Corporate Social Responsibility Committee owing to the appointment of Mr. Ajay Sahay, Independent Director and resignation of Ms. Neelima Jain (Non Executive Independent Director).

The Committee comprises of:

| Name of the Director  | Status   | Nature of Directorship             |
|-----------------------|----------|------------------------------------|
| Mr. Anish Bansal      | Chairman | Whole Time Director                |
| Ms. Tanvi Kumar       | Member   | Non-Executive Independent Director |
| Mr. Ajay Sahay        | Member   | Non-Executive Independent Director |
| Mr. Ajay Kumar Bansal | Member   | Managing Director                  |

Mr. Anish Bansal is the Chairman of the Committee.



The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

We have Identified ₹30.99 lakhs on certain projects qualifying under CSR expenditure but have been unable to spend the expenditure in the FY 2017-18.

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/CSRPoly.pdf>

## 24. HUMAN RESOURCE/PARTICULARS OF EMPLOYEES

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.

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.

Details pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and are annexed herewith as **Annexure V**.

## 25. CORPORATE GOVERNANCE

The Directors adhere to the requirements set out by Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed, secretarial compliances, reporting, intimations etc. under the Companies Act, 2013, Listing Agreements and other applicable laws, rules and regulations are noted in the Board/Committee meeting from time to time. The Company has implemented several best Corporate Governance Practices as prevalent globally.

The Corporate Governance Report as stipulated under Regulation 34(3) and other applicable Regulations read with Part C of Schedule V of SEBI (LODR), 2015 forms part of this report.

## 26. LISTING OF SHARES

During the period under review, the Equity shares of the Company are listed on the NSE EMERGE, the SME Platform of National Stock Exchange of India Limited (NSE). Since, the Company have completed its initial 2 years of Listing on NSE Emerge the Board in its meeting held on 1st March, 2018 has recommended for shareholders approval for migration of Equity shares of the Company to the Main Board of NSE. The Shareholders of the Company has also approved the proposal via Postal Ballot on 31st March, 2018. Hence, with the approval of National Stock Exchange (NSE), the Shares of the Company are now migrated to the Main Board of NSE w.e.f. 7th May, 2018.

## 27. RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The objective of Risk Management at Hi Tech Pipes Limited is to create and protect stakeholders value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

The Company has adopted Risk Management Policy which is aimed at creating and protecting stakeholders value by minimizing threats and losses and identifying and maximizing opportunities. Your Directors periodically review the risk associated with business or threatens the prospects of the Company.

## 28. FORMAL ANNUAL EVALUATION

Pursuant to applicable provisions of The Companies Act, 2013 and the Listing Regulations and based on the criteria formulated for performance evaluation by Nomination and Remuneration Committee, the Board has carried out the performance evaluation of all the Directors (including Independent Directors). The evaluation of the Board and of the various committees was made on the basis of the following assessment criteria:

- (i) Adequacy of the constitution and composition of the Board and its Committees
- (ii) Understanding of the Company's principles, values, philosophy and mission statement
- (iii) Matters addressed in the Board and Committee meetings
- (iv) Effectiveness of the Board and its Committees in providing guidance to the management of the Company
- (v) Processes followed at the meetings
- (vi) Board's focus, regulatory compliances and Corporate Governance

The performance of the Committees was also evaluated by the members of the respective Committees on the basis of the Committee effectively performing the responsibility

as outlined in its Charter/Terms of reference. Similarly, the evaluation of the Independent Directors and other individual Directors' performance was made by the entire Board, on the basis of the following assessment criteria:

- (i) Attendance and active participation in the Meetings
- (ii) Contribution in Board and Committee Meetings
- (iii) Execution and performance of specific duties, obligations, regulatory compliances and governance

The Board members had submitted their response for evaluating the entire Board and respective Committees of which they are members.

### **29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the period under Review, no material order has been passed by any Regulator or Court excepting to the extent as may be mentioned in Notes to Accounts attached to the Financial Statements forming part of this Annual Report.

### **30. WHISTLE BLOWER POLICY / VIGIL MECHANISM**

In compliance with the requirements of the provisions of Section 177 of the Act read with Regulation 22 of the Listing Regulations, the Board has established a vigil mechanism for Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's Policies. The policy is available on the website of the Company at [http://www.hitechpipes.in/images/investorspdf/Vigil\\_Mechanism\\_Policy.PDF](http://www.hitechpipes.in/images/investorspdf/Vigil_Mechanism_Policy.PDF).

### **31. POLICY ON PROTECTION OF WOMEN FROM SEXUAL HARASSMENT**

The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places. The Company has in place a robust policy on Protection of Women from Sexual Harassment in line with the requirements of the Sexual Harassment of Woman at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Policy applies to, in relation to a workplace, a woman, of any age whether employed or not, all categories of employees of the company, including permanent, management, workmen, trainees, probationers and contract employees of all cadres at its workplace or outside on official duty.

### **32. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Hi-Tech has adequate system of internal controls commensurating with the size of its operation and business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to

ensure that all the business transactions are authorized, recorded and reported correctly and adequately.

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

During the year, M/s. Goyal & Goyal, Chartered Accountants were re-appointed as the Internal Auditors by the Board of Directors of the Company for the FY 2018-19. The audit scope and plans of internal audit are approved by the Board every year.

### **33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE- VI** and forms part of this Report.

### **34. ACKNOWLEDGEMENTS**

The Board places on record its appreciation for the continued co-operation and support extended to the Company by its customers which enables the Company to make every effort in understanding their unique needs and deliver maximum customer Satisfaction. We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results. We acknowledge the support of our vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and other stakeholders.

**For Hi-Tech Pipes Limited**

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

Place : New Delhi  
 Date : 22.05.2018

### **REGISTERED OFFICE:**

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

**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  | 886.04                    |
| 6     | Total assets  | 9834.21                   |
| 7     | Total Liabilities   | 8712.17                   |
| 8     | Investments   | -                         |
| 9     | Turnover (Net of Excise Duty)   | 19417.82                  |
| 10    | Profit before taxation  | 863.01                    |
| 11    | Provision for taxation  | 218.20                    |
| 12    | Profit after taxation   | 644.81                    |
| 13    | Proposed Dividend   | NIL                       |
| 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     | <b>Latest audited Balance Sheet Date</b>                                      | -    |
| 2     | <b>Shares of Associate/Joint Ventures held by the company on the year end</b> |      |
|       | 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   | -    |

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

[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**

|  |  |
|--|--|
| <b>CIN</b>   | L27202DL1985PLC019750  |
| <b>Registration Date</b>   | 02/01/1985   |
| <b>Name of the Company</b>   | Hi-Tech Pipes Limited  |
| <b>Category of the Company</b>   | Company limited by Shares  |
| <b>Sub-Category of the Company</b>   | Non-Govt. Company  |
| <b>Address of the Registered office and contact details</b>                          | 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi- 110034<br>Tel.No. - +91-11-48440050   Fax: +91-11-48440055<br>Website: www.hitechpipes.in   |
| <b>Whether Listed Company: Yes/No</b>  | Yes  |
| <b>Name, Address and Contact details of the Registrar and Transfer Agent, if any</b> | <b>Bigshare Services Private Limited</b><br><b>Mumbai Office:</b> E- 2/3, Ansa Industrial Estate, Saki-Vihar Road Sakinaka Andheri (East), Mumbai- 400072<br>Tel. No.: 011 2352 2373   Fax: 91-22-2847 5207<br>For Investor queries/grievance<br><b>E-mail:</b> investor@bigshareonline.com<br><b>Bigshare Services Pvt. Ltd.</b><br><b>Delhi Office:</b> 4E/8, First Floor, Jhandewalan Extension, New Delhi-110055<br>Tel: 011-23522373   Fax: 011-23522373<br><b>E-mail:</b> yksinghal@bigshareonline.com |

**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.     | Steel Tubes & Pipes                             | 24311                            | 73%                                |
| 2.     | Flat Steel                                      | 24105                            | 21%                                |
| 3.     | Engineering Products                            | 24319                            | 6%                                 |

**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<br>501, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi 110034 | U27320DL2011PTC214435 | Subsidiary                     | 100              | 2 (87)             |

**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 (01.04.2017) |          |         |                   | No. of Shares held at the end of the year (31.03.2018) |          |         |                   | % 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             | 5365100  | -        | 5365100 | 51.09             | 0.95                     |
| Central Government/ State Government(s)               | -  | -        | -       | -                 | -  | -        | -       | -                 | -                        |



| Category of Shareholder  | No. of Shares held at the beginning of the year (01.04.2017) |          |                 |                   | No. of Shares held at the end of the year (31.03.2018) |          |                 |                   | % Change during the year |
|--|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
|  | Demat  | Physical | Total           | % of Total Shares | Demat  | Physical | Total           | % of Total Shares |                          |
| Bodies Corporate   | 1068000  | -        | 1068000         | 10.37             | 1068000  | -        | 1068000         | 10.17             | (0.2)                    |
| 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>6433100</b>   | <b>-</b> | <b>6433100</b>  | <b>61.26</b>      | <b>0.75</b>              |
| <b>(2) Foreign</b>   |  |          |                 |                   |  |          |                 |                   |                          |
| Individuals (Non-Residents Individuals/ Foreign Individuals)                     | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Bodies Corporate   | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Institutions   | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Any Others(Specify)  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| <b>Sub Total(A)(2)</b>   | <b>-</b>   | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>      | <b>6233100</b>   | <b>-</b> | <b>6233100</b>  | <b>60.51</b>      | <b>6433100</b>   | <b>-</b> | <b>6433100</b>  | <b>61.26</b>      | <b>0.75</b>              |
| <b>(B) Public shareholding</b>   |  |          |                 |                   |  |          |                 |                   |                          |
| <b>(1) Institutions</b>  |  |          |                 |                   |  |          |                 |                   |                          |
| Mutual Funds/ UTI  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Financial Institutions / Banks   | -  | -        | -               | -                 | 28000  | -        | 28000           | 0.27              | 0.27                     |
| Central Government/ State Government(s)  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Venture Capital Funds  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Insurance Companies  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Foreign Institutional Investors  | -  | -        | -               | -                 | 101500   | -        | 101500          | 0.97              | 0.97                     |
| Foreign Venture Capital Investors  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Any Other (Domestic Co. & Market Maker)  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| <b>Sub-Total (B)(1)</b>  | <b>-</b>   | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>129500</b>  | <b>-</b> | <b>129500</b>   | <b>1.23</b>       | <b>1.23</b>              |
| <b>(2) Non-institutions</b>  |  |          |                 |                   |  |          |                 |                   |                          |
| Bodies Corporate   | 974916   | -        | 974916          | 9.46              | 611500   | -        | 611500          | 5.82              | (3.64)                   |
| Individuals  | -  | -        | -               | -                 | -  | -        | -               | -                 | -                        |
| Individuals-   |  |          |                 |                   |  |          |                 |                   |                          |
| Individual shareholders holding nominal share capital up to ₹1 lakh              | 922084   | -        | 922084          | 8.95              | 1368000  | -        | 1368000         | 13.02             | 4.07                     |
| ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.  | 1810992  | -        | 1810992         | 17.58             | 1826500  | -        | 1826500         | 17.39             | (0.19)                   |
| Any Other (specify)  | -  | -        | -               | -                 | 4000   | -        | 4000            | 0.04              | 0.04                     |
| Clearing Member  | 154508   | -        | 154508          | 1.50              | 46000  | -        | 46000           | 0.44              | (1.06)                   |
| Non Resident Indians (NRI)   | 1500   | -        | 1500            | 0.01              | 5000   | -        | 5000            | 0.05              | 0.04                     |
| Non Resident Indians (NON REPAT)   | 48000  | -        | 48000           | 0.47              | 61500  | -        | 61500           | 0.59              | 0.12                     |
| Non Resident Indians (REPAT)   | 0  | -        | 0               | -                 | 16000  | -        | 16000           | 0.15              | 0.15                     |
| NBFC Domestic  | 156000   | -        | 156000          | 1.51              | -  | -        | -               | -                 | (1.51)                   |
| <b>Sub-Total (B)(2)</b>  | <b>4068000</b>   | <b>-</b> | <b>4068000</b>  | <b>39.49</b>      | <b>3938500</b>   | <b>-</b> | <b>3938500</b>  | <b>37.51</b>      | <b>(1.98)</b>            |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                              | <b>4068000</b>   | <b>-</b> | <b>4068000</b>  | <b>39.49</b>      | <b>4068000</b>   | <b>-</b> | <b>4068000</b>  | <b>38.74</b>      | <b>(0.75)</b>            |
| <b>TOTAL (A)+(B)</b>   | <b>10301100</b>  | <b>-</b> | <b>10301100</b> | <b>100</b>        | <b>10501100</b>  | <b>-</b> | <b>10501100</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>10301100</b>  | <b>-</b> | <b>10301100</b> | <b>100</b>        | <b>10501100</b>  | <b>-</b> | <b>10501100</b> | <b>100</b>        | <b>-</b>                 |

**ii) Shareholding of Promoters**

| S. No. | Shareholder's Name | Shareholding at the beginning of the year as on 31.03.2017 |                                  |   | Shareholding at the end of the year As on 31.03.2018 |                                  |   | % 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  | 14.20%                           | 0.28%   | (0.28)                                       |
| 2.     | ANISH BANSAL       | 637600   | 6.19%                            | NIL   | 737600   | 7.02%                            | NIL   | 0.83   |
|        | <b>Total</b>       | <b>2129500</b>   | <b>20.67%</b>                    | <b>0.29%</b>                                    | <b>2229500</b>                                       | <b>21.22%</b>                    | <b>0.28%</b>                                    | <b>0.55</b>                                  |

**iii) Change in Promoter's Shareholding**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year As on 01.04.2017 |                                  | Shareholding at the end of the year As on 31.03.2018 |                                  | % 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  | 14.20%                           | (0.28)                                       |
| 2.      | ANISH BANSAL       | 637600   | 6.19%                            | 737600   | 7.02%                            | 0.83   |
|         | <b>Total</b>       | <b>2129500</b>   | <b>20.67%</b>                    | <b>2229500</b>                                       | <b>21.22%</b>                    | <b>0.55</b>                                  |

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

| Sl. No. | For each of the Top ten Shareholders      | Shareholding at the beginning of the year as on 01.04.2017 |                                  | For each of the Top ten Shareholders       | Shareholding at the end of the year as on 31.03.2018 |                                  |
|---------|---|--|----------------------------------|--|--|----------------------------------|
|         |   | 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%                            | MAHESH DINKAR VAZE                         | 348000   | 3.31%                            |
| 2       | EVEREST GROW MORE FINANCE PRIVATE LIMITED | 200000   | 1.94%                            | SI INVESTMENTS AND BROKING PRIVATE LIMITED | 130000   | 1.24%                            |
| 3       | AMRUTLAL CHHAGAN LAL                      | 188000   | 1.82%                            | VAISHALI YATIN SHAH                        | 120000   | 1.14%                            |
| 4       | NARANBHAI CHHAGANBHAI PATEL               | 180000   | 1.74%                            | HARDIK MANOJ SHAH                          | 103500   | 0.99%                            |
| 5       | SUBHADRABEN BHAGUBHAI PATEL               | 180000   | 1.74%                            | TRANSATLANTIC ARBITRAGE FUND LTD           | 100500   | 0.96%                            |
| 6       | AKG INVESTMENT SCENARIO (P) LTD.          | 156000   | 1.42%                            | RUCHI PRAMOD GUPTA                         | 99000  | 0.94%                            |
| 7       | CHAND RANI JINDAL                         | 141000   | 1.36%                            | SHEELA VIMAL JAIN                          | 90500  | 0.86%                            |
| 8       | DECENT FINANCIAL SERVICES PVT LTD         | 133500   | 1.29%                            | AVR TRENDS INTERNATIONAL PVT LTD           | 90000  | 0.86%                            |
| 9       | SUMPOORNA PORTFOLIO LIMITED               | 94500  | 0.91%                            | VIMAL SAGARMAL JAIN                        | 83500  | 0.80%                            |
| 10      | SHRI PARASRAM HOLDINGS PVT.LTD.           | 94500  | 0.91%                            | PRAMOD CHIMMANLAL GUPTA                    | 78000  | 0.74%                            |

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

| Sl. No. | Particulars              | Shareholding at the beginning of the year as on 01.04.2017 |                                  | Shareholding at the end of the year As on 31.03.2018 |                                  |
|---------|--------------------------|--|----------------------------------|--|----------------------------------|
|         |                          | 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  | 14.20%                           |
| 3       | Anish Bansal             | 637600   | 6.19%                            | 737600   | 7.02%                            |
| B       | Key Managerial Personnel |  |                                  |  |                                  |
| 1       | -                        | -  | -                                | -  | -                                |

**V. INDEBTEDNESS**

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

(₹ in Lakhs)

| Particulars  | Secured Loans excluding | Deposits Unsecured | Loans Deposits | Total Indebtedness |
|--|-------------------------|--------------------|----------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                         |                    |                |                    |
| i) Principal Amount  | 14489.93                | 1612.836           | -              | 16102.77           |
| ii) Interest due but not paid                              | -                       | -                  | -              | -                  |
| iii) Interest accrued but not due                          | 34.46                   | -                  | -              | 34.46              |
| <b>Total (i+ii+iii)</b>                                    | <b>14524.38</b>         | <b>1612.836</b>    | <b>-</b>       | <b>16137.22</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                         |                    |                |                    |
| Addition   | 5271.80                 | -                  | -              | 5271.80            |
| Reduction  | 1026.79                 | 807.98             | -              | 1834.77            |
| Net Change   | 4245.01                 | (807.98)           | -              | 3437.03            |
| <b>Indebtedness at the end of the financial year</b>       |                         |                    |                |                    |
| i) Principal Amount as on 31.03.2018                       | 18682.99                | 804.86             | -              | 19487.85           |
| ii) Interest due but not paid                              | -                       | -                  | -              | -                  |
| iii) Interest accrued but not due as on 31.03.2018         | 86.41                   | -                  | -              | 86.41              |
| <b>Total (i+ii+iii)</b>                                    | <b>18769.40</b>         | <b>804.86</b>      | <b>-</b>       | <b>19574.26</b>    |

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

(₹ in Lakhs)

| S. No. | Particulars of Remuneration  | Mr. Ajay Bansal (MD)  | Mr. Anish Bansal (WTD) |
|--------|--|---|------------------------|
| 1      | Gross Salary   | 60.00   | 36.00                  |
|        | (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   | -   | -                      |
|        | Total (A)  | 60.00   | 36.00                  |
|        | 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 Lakhs)

| S. No. | Particulars of Remuneration                           | Name of Directors |                   |                  |                   |                   | Total Amount |
|--------|---|-------------------|-------------------|------------------|-------------------|-------------------|--------------|
|        |   | Ms. Tanvi Kumar   | Ms. Neelima Jain* | Mr. P.K. Saxena# | Mr. Vivek Goyal## | Mr. Ajay Sahay### |              |
| a.     | Independent Directors                                 | -                 | -                 | 20000            | 40000             | 40000             | 100000       |
|        | Fee for attending Board Committee Meetings            | -                 | -                 | -                | -                 | -                 | -            |
|        | Remuneration by way of Commission                     | -                 | -                 | -                | -                 | -                 | -            |
|        | Others, please specify (1)                            | -                 | -                 | -                | -                 | -                 | -            |
| b.     | Other Non- Executive Directors                        | -                 | -                 | -                | -                 | -                 | -            |
|        | Fee for attending Board Committee Meetings Commission | -                 | -                 | -                | -                 | -                 | -            |
|        | Others, please specify (2)                            | -                 | -                 | -                | -                 | -                 | -            |
|        | Total B = (1+2)                                       | -                 | -                 | -                | -                 | -                 | -            |
|        | Total Managerial Remuneration (a+b)                   | -                 | -                 | 20000            | 40000             | 40000             | 100000       |

\*Ms. Neelima Jain resigned w.e.f. 13th February, 2018.

#Mr. P.K. Saxena was appointed as Independent Director w.e.f. 30th January, 2018.

## Mr. Vivek Goyal was appointed as Independent Director w.e.f. 30th January, 2018.

### Mr. Ajay Sahay was appointed as Independent Director w.e.f. 13th February, 2018.

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

(₹ in Lakhs)

| 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. | 4.38                     | 3.0                       | <b>7.38</b> |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                              | -                        | -                         |             |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961               | -                        | -                         |             |
|        | Stock Option   | -                        | -                         |             |
|        | Sweat Equity   | -                        | -                         |             |
|        | Commission   | -                        | -                         |             |
|        | - as % of profit   | -                        | -                         |             |
|        | others, specify  | -                        | -                         |             |
|        | Others, please specify   | -                        | -                         |             |
|        | <b>Total (A)</b>   | <b>4.38</b>              | <b>3.0</b>                | <b>7.38</b> |

\*Ms. Jesmi Tikoo resigned as Company Secretary w.e.f. 30th June, 2017 and Mr. Arun Kumar appointed as Company Secretary w.e.f. 18th July, 2017

\*\*Mr. Anish Bansal resigned as CFO w.e.f. 22nd January, 2018 and Mr. Arvind Kumar Bansal was appointed as CFO w.e.f. 30th January, 2018

**V. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

(₹ in Lakhs)

| 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                         |                              |                   |  |                             |                                    |



## ANNEXURE - III

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

## SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

To,  
The Members,  
**Hi-Tech Pipes Ltd.**  
(L27202DL1985PLC019750)  
505, Pearl Omaxe Tower,  
Netaji Subhash Place,  
Pitampura New Delhi - 110034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hi-Tech Pipes Ltd. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company, books, papers, 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, [herein after referred to as SEBI (LODR), 2015].
- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (6) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management:
  - i. Applicable Labour Laws
  - ii. Applicable direct and indirect tax laws
  - iii. Prevention of Money Laundering Act 2002;
  - iv. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and
  - v. Forest (Conservation) Act, 1980
  - vi. Regulations & Guidelines issued by Ministry of Environment, Forest and Climate Change, Government of India
  - vii. Regulations & Guidelines issued by Ministry of Water Resources, Government of India
  - viii. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
  - ix. The Air (Prevention and Control of Pollution) Act 1981 and rules made thereunder
  - x. Environment (Protection) Act, 1986 and rules made thereunder
  - xi. Guidelines issue by National Green Tribunal.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and

- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We 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.

We 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 laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has:

1. Made Preferential Allotment of 2,00,000 Equity Shares on 26th March, 2018;
2. Made issue of 8,50,000 Fully Convertible Warrants on Preferential basis

For **NSP & Associates**  
Company Secretaries

N.S. Pandey  
(Proprietor)

Place: New Delhi  
Date: 22nd May, 2018

**FCS No.: 9028**  
**C P No.: 10937**

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

**"ANNEXURE - A"**

To,  
The Members,  
**Hi-Tech Pipes Ltd.**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we have reported on the basis of unsigned and unaudited Financial Statement for the Financial Year ended 31st March, 2018.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **NSP & Associates**  
Company Secretaries

N.S. Pandey  
(Proprietor)

Place: New Delhi  
Date: 22nd May, 2018

**FCS No.: 9028**  
**C P No.: 10937**

## ANNEXURE - IV

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

## [PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013] FOR THE FINANCIAL YEAR 2017-18

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

**Terms of reference of the CSR Committee:**

- ❖ 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;
- ❖ To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- ❖ To monitor the Corporate Social Responsibility Policy of the company from time to time.
- ❖ 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.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company. The Web link for the same is: <http://www.hitechpipes.in/images/investorspdf/CSRPoly.pdf>

2. Average Net Profit of the Company for the last Three Financial Year: ₹7.28 Cr.
3. Prescribed CSR Expenditure (Two percent of the Average Net Profit as in item 2): ₹14.57 lakhs
4. Details of the amount spent for the financial year: ₹5.40 Lakhs
5. Details of the amount unspent for the financial year: ₹30.99 Lakhs

**6. Composition of CSR Committee**

| Name of the Director  | Status   | Nature of Directorship             |
|-----------------------|----------|------------------------------------|
| Mr. Anish Bansal      | Chairman | Whole Time Director                |
| Ms. Tanvi Kumar       | Member   | Non-Executive Independent Director |
| Mr. Ajay Sahay        | Member   | Non-Executive Independent Director |
| Mr. Ajay Kumar Bansal | Member   | Managing Director                  |

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

| 1<br>S<br>No | 2<br>CSR project<br>or activity<br>identified       | 3<br>Sector in<br>which the<br>Project is<br>covered  | 4<br>Projects or<br>programs (1)<br>Local area<br>or other (2)<br>Specify the<br>State and<br>district where<br>projects or<br>programs was<br>undertaken | 5<br>Amount<br>outlay<br>(budget)<br>project or<br>programs<br>wise (in ₹) | 6<br>Amount<br>spent on the<br>projects or<br>programs<br>Sub – heads:<br>(1) Direct<br>expenditure<br>on projects<br>or programs<br>(2) Overheads<br>(in ₹) | 7<br>Cumulative<br>expenditure<br>upto the<br>reporting<br>period | 8<br>Amount<br>spent : Direct<br>or through<br>implementing<br>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   | 540000   | 540000   | 840000  | Direct  |

7. In case the Company failed to spend 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: Please refer Point 23 of Directors' Report

**8. Responsibility Statement**

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

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

Sd/-  
Ajay Sahay  
**Independent Director**

**ANNEXURE - V**

**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 Independent Directors | Ratio to Median Remuneration |
|--------------------------------------|------------------------------|
| Ms. Tanvi Kumar                      | N.A.                         |
| Ms. Neelima Jain                     | N.A.                         |
| Mr. P.K. Saxena                      | N.A.                         |
| Mr. Vivek Goyal                      | N.A.                         |
| Mr. Ajay Sahay                       | N.A.                         |

| Executive Director    | Ratio to Median Remuneration |
|-----------------------|------------------------------|
| Mr. Ajay Kumar Bansal | 25.26:1                      |
| Mr. Anish Bansal      | 15.1:1                       |

- 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 |
|---|---|
| Mr. Ajay Kumar Bansal   | 66%   |
| Mr. Anish Bansal Whole Time Director & Chief Financial Officer* | 20%   |
| Ms. Tanvi Kumar   | N.A.  |
| Mr. P.K. Saxena   | N.A.  |
| Mr. Vivek Goyal   | N.A.  |
| Mr. Ajay Sahay  | N.A.  |
| Ms. Neelima Jain**  | N.A.  |
| Mr. Arvind Kumar Bansal as Chief Financial Officer***           | N.A.  |
| Mr. Arun Kumar Company Secretary#                               | N.A.  |
| Ms. Jesmi Tikoo Company Secretary##                             | N.A.  |

\*Mr. Anish Bansal resigned from the position of CFO w.e.f. 22nd January, 2018.

\*\*Ms. Neelima Jain resigned w.e.f. 13th February, 2018.

\*\*\*Mr. Arvind Bansal was appointed as CFO w.e.f. 30th January, 2018

#Mr. Arun Kumar was appointed as Company Secretary w.e.f. 18th July, 2017

##Ms. Jesme Tikoo resigned w.e.f. 30th June, 2017

- C.** The percentage increase in median remuneration of employees in the financial year: 11.5%
- D.** The number of permanent employees on the rolls of the Company: 416
- E.** 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: **NA**

**The average annual increase was: 11.5%**

Increase in the managerial remuneration for the year was: As stated in Point No. B (above)

- F.** affirmation that the remuneration is as per the remuneration policy of the company-Yes
- G.** the names of the top ten employees in terms of remuneration drawn and the name of every employee, who-
- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh rupees] - NIL
  - if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; - NIL
  - if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. - NIL
- (IV) The Statement containing the particulars of Employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016: The statement is being available on the Website of Compnay viz. [www.hitechpipes.in/images/investorspdf/TopTenEmployees2018.pdf](http://www.hitechpipes.in/images/investorspdf/TopTenEmployees2018.pdf) under Annual Report Tab.



## ANNEXURE - VI

**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: The Company remains conscious of the environmental impact of its business and has improved its energy efficiency through various initiatives that helped the Company in reducing energy cost.

**A. Conservation of Energy:**

- i) The steps taken or impact on conservation of energy

Using 100% CNG by GAIL (Environment friendly).

Shifted from DC Drives to AC Drives which saves 20% energy.

- ii) The steps taken by the Company for utilizing alternate sources of energy

The Company has installed Rooftop Solar Project at Sanand Facility, Gujarat. This Solar project will be generating 400,000 kWh/ Year of energy. It has a capacity of 250 kWp and can save significant money and energy while also protecting the environment. The estimated amount of reduction in the Carbon Footprint will be by 375 MTPA by reducing the emission of Carbon dioxide into the atmosphere. We also envisage significant Energy Cost savings under the net metering policy of Gujarat Electricity Regulatory Commission.

- iii) The capital investment on energy conservation equipments – NIL

**B. Technology Absorption:**

- i) **Efforts made towards Technology Absorption:**

The technology used by the Company is updated as a continuous exercise. The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products.

- ii) **Benefits derived as a result of the above efforts:** Resultant reduction in cost of production & also provide flexibility in manufacturing.

- iii) **Particulars relating to imported technology:** NIL

- iv) **The expenditure incurred on Research and Development:**

Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products to trap the market throughout the year.

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

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

| S. No. | Particulars                     | Current Year | Previous Year |
|--------|---------------------------------|--------------|---------------|
| 1.     | Earnings in Foreign Currency    | Nil          | Nil           |
| 2.     | Expenditure in Foreign Currency | 50.28        | 19.31         |

**Form No. AOC.2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: NIL
  - (b) Nature of contracts/arrangements/transactions: NIL
  - (c) Duration of the contracts/arrangements/transactions: NIL
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
  - (e) Justification for entering into such contracts or arrangements or transactions: NIL
  - (f) Date(s) of approval by the Board: NIL
  - (g) Amount paid as advances, if any: NIL
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: NIL
  - (b) Nature of contracts/arrangements/transactions: NIL
  - (c) Duration of the contracts/arrangements/transactions: NIL
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
  - (e) Date(s) of approval by the Board, if any: NIL
  - (f) Amount paid as advances, if any: NIL

For **Hi-Tech Pipes Limited**

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

Place : New Delhi  
Date : 22.05.2018

**REGISTERED OFFICE:**

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

# CORPORATE GOVERNANCE REPORT

**Your Directors present the Company's Report on Corporate Governance in compliance with Regulation 34(3) read with part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

## 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Good governance practices stem from the dynamic culture and positive mindset of the organization. At Hi-Tech Pipes, we consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

As a Company with a strong sense of values and commitment, at Hi-Tech Pipes we believe that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This translates into the philosophy of Corporate Governance. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

At Hi-tech Pipes, good Corporate Governance is a way of life and the way we do our business, encompassing everyday activities and is enshrined as a part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. The Company's philosophy on Corporate Governance lays strong emphasis on the commitment to disclose timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure. The philosophy is manifested in its operations through exemplary standards of ethical behavior, both within the organization as well as in external relationships.

## 2. BOARD OF DIRECTORS

### a) Composition

The Board of Directors comprises of Six (6) Directors, out of which Two (2) are Executive Directors viz. Mr. Ajay Kumar Bansal, Mr. Anish Bansal. The other Four (4) are Non-Executive and Independent Directors viz. Mr. Ajay Sahay, Mr. Vivek Goyal, Mr. Prashant Kumar Saxena, Ms. Tanvi Kumar.

### b) Board Meetings

**During the Financial Year ended March 31, 2018, Eleven (11) Meetings of the Board of Directors were held. The Meetings were held on 10.04.2017, 20.04.2017, 30.05.2017, 16.06.2017, 18.07.2017, 10.08.2017, 14.11.2017, 30.01.2018, 13.02.2018, 01.03.2018, 26.03.2018.**

| Name of the Director       | Category                           | No. Of Board Meeting attended during the year 2017-18 | Attendance at the last AGM held on September 25, 2017 | No. of Directorship of Companies (Including Hi-Tech Pipes Limited) as on March 31, 2018 |         |            | No. of other Board Committees (Including Hi-Tech Pipes Limited) in which a Director is a Member or Chairperson as on March 31, 2018 |        |
|----------------------------|------------------------------------|---|---|---|---------|------------|---|--------|
|                            |                                    |   |   | Public  | Private | Sec. 8 Co. | Chairman  | Member |
| Mr. Ajay Kumar Bansal      | Promoter/ Executive Director       | 11  | Yes   | 1   | 8       | Nil        | 2   | 3      |
| Mr. Anish Bansal           | Promoter/ Executive Director       | 11  | Yes   | 1   | 3       | Nil        | 2   | 3      |
| Ms. Tanvi Kumar            | Non Executive Independent Director | 5   | No  | 1   | 2       | Nil        | Nil   | 2      |
| Mr. Prashant Kumar Saxena* | Non Executive Independent Director | 1   | No  | 1   | Nil     | Nil        | 1   | 2      |
| Mr. Vivek Goyal**          | Non Executive Independent Director | 2   | No  | 1   | Nil     | Nil        | 2   | 1      |
| Mr. Ajay Sahay#            | Non Executive Independent Director | 2   | No  | 1   | Nil     | Nil        | Nil   | 4      |

\* Mr. Prashant Kumar Saxena has been appointed as an Independent Director w.e.f. 30.01.2018 on the Board of Hi-Tech Pipes Limited.

\*\* Mr. Vivek Goyal has been appointed as an Independent Director w.e.f. 30.01.2018 on the Board of Hi-Tech Pipes Limited. He is Director in M/s ADG Corporate Services Private Ltd., the Company is under the process of Striking Off.

# Mr. Ajay Sahay has been appointed as an Independent Director w.e.f. 13.02.2018 on the Board of Hi-Tech Pipes Limited.

**Notes:**

1. The Directorship/ Committee membership is based on the disclosures received from the Directors and excludes foreign companies. Further, membership of only Audit and Shareholder's/ Investors' Grievance Committees are indicated.
2. Neither of the Directors is a member of the Board of more than 10 public companies in terms of section 165 of the Companies Act, 2013 nor is a Member of more than 10 Committees and Chairman of more than 5 committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015.
3. Executive Directors viz. Mr. Ajay Kumar Bansal and Mr. Anish Bansal are inter-se related as Father and Son.

**INDEPENDENT DIRECTORS**

- i) **Ms. Tanvi Kumar** is the Non-Executive & Independent Director of the Company. Ms. Tanvi Kumar is a Law Graduate. She completed her BA LLB degree in year 2009 from ILS Law college- Pune, Maharashtra. She is a member of Bar Council of India and has rich experience in corporate Litigation matters and has also attended Mock session of UN Assembly. She is senior Associate in Khaitan & Company.

**Directorship of the Companies (as on 31.03.2018)**

| SI No. | Name of the Company                                 | Position            |
|--------|---|---------------------|
| 1.     | Hi-Tech Pipes Limited                               | Director            |
| 2.     | Prime Hiring India Private Limited                  | Additional Director |
| 3.     | Prosegur Cit Integral Systems India private Limited | Additional Director |

- ii) Mr. P.K. Saxena has done Masters in Physics, Finance and also a Certified Associate of Indian Institute of Bankers (CAIIB). He is honorably retired as DGM from Punjab National Bank. He is having approximately three (3) decades of experience in the field of Bank Management, Product Enrichment, Distribution to derive /Maximize Profit, Operational Control: Credit Management, Business Analysis, Pre-sanction/Post- sanction follow up, Data Analytics, Foreign Exchange Loan syndication, All banking aspects, NPA/ Recovery Management, monitoring / follow up with SMA accounts.

Mr. P.K. Saxena has been appointed as an Independent Director w.e.f. 30.01.2018 on the Board of Hi-Tech Pipes Limited.

**Directorship of the Companies (as on 31.03.2018)**

| SI No. | Name of the Company   | Position |
|--------|-----------------------|----------|
| 1.     | Hi-Tech Pipes Limited | Director |

- iii) Mr. Vivek Goyal has done his Graduation in Commerce

from Punjab University, Patiala, Masters in Finance & Control and became a member of The Institute of Chartered Accountant of India in 1995 and also done various certification courses on concurrent audit of Banks from ICAI. Mr. Goyal is Senior Partner in M/s Vivek Prem & Associates a well known Chandigarh based firm. Mr. Goyal has more than two decades of experience serving large and mid-sized clients in several sectors in area of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring Initiatives.

Mr. Vivek Goyal has been appointed as an Independent Director w.e.f. 30.01.2018 on the Board of Hi-Tech Pipes Limited.

**Directorship of the Companies (as on 31.03.2018)**

| SI No. | Name of the Company            | Position |
|--------|--------------------------------|----------|
| 1.     | Hi-Tech Pipes Limited          | Director |
| 2.     | ADG Corporate Private Limited* | Director |

\* ADG Corporate Private Limited is under the process of Striking Off

- iv) Mr. Ajay Sahay did Mechanical Engineering from Birla Institute of Technology in 1979 with 1st Class Distinction. He has started his career as Graduate Trainee with TATA STEEL. He is having almost FOUR decades of experience in TATA Steel Limited in various discipline. He has rich experience in marketing and sales for over 25 years in various capacities across India. His major contribution has been implementation of value management in Distribution Cold Rolling products across country in retail and distribution. In his last assignment, he was heading corporate office Delhi where he along with his team was Liaising with Government of India to get various approvals for smooth working of Production Facilities & Large Mining operation. To assist Government of India, he was also deeply involved in advocacy to streamline various acts, regulations and guidelines to make "Ease of doing of Business in India" more meaningful.

Mr. Ajay Sahay has been appointed as an Independent Director w.e.f. 13.02.2018 on the Board of Hi-Tech Pipes Limited.

**Directorship of the Companies (as on 31.03.2018)**

| SI No. | Name of the Company   | Position |
|--------|-----------------------|----------|
| 1.     | Hi-Tech Pipes Limited | Director |

**3. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review, Independent Directors met on 01st March, 2018, inter alia, to:

1. Review & assess the performance of Non Independent Directors and the Board of Directors as a whole and Committee thereof;



2. Review & assess the performance of the Chairperson of the Company and Committee(s), taking into account the views of the Executive and Non-Executive Directors;
3. Review and assess the quality, quantity and timeliness of flow of information between the management and the Board/Committee(s) that is necessary for the Board/Committee(s) to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

#### 4. COMMITTEES OF THE BOARD

Company Secretary of the Company acts as Secretary of all the Committees.

##### A. AUDIT COMMITTEE

The Committee has been reconstituted on 30.01.2018 by induction of Mr. Vivek Goyal and Mr. P.K. Saxena, Independent Directors as Chairman and member thereof.

##### i. Composition

The Committee comprises of Two (2) Non-Executive Independent Directors and One (1) Executive Director viz.

- a) Mr. Vivek Goyal (Non- Executive Independent Director, Chairman)
- b) Mr. P.K. Saxena (Non- Executive Independent Director)
- c) Mr. Anish Bansal (Whole-Time Executive Director)

The current constitution meets the requirement of the provision of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

##### ii. Powers of the Audit Committee:

- ❖ Investigating any activity within its terms of reference;
- ❖ Seeking information from any employee;
- ❖ Obtaining outside legal or other professional advice; and
- ❖ Securing attendance of outsiders with relevant expertise, if it considers necessary.

##### iii. Role of the audit committee:

- ❖ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ❖ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- ❖ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ❖ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- ❖ Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
- ❖ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ❖ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- ❖ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ❖ Discussion with internal auditors on any significant findings and follow up there on.
- ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control

systems of a material nature and reporting the matter to the board.

- ❖ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- ❖ To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- ❖ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- ❖ To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- ❖ In terms of the Prohibition of Insider Trading Policy adopted by the Company, the Committees shall consider the following:
  - To approve policies in relation to the implementation of the Insider Trading code and to supervise implementation of Insider trading Code.
  - To note and take on record the status reports dealing the dealings by designated PERSONS IN Securities of the Company, as submitted by the Compliance officer on Quarterly basis.
  - To provide directions on any penal actions to be initiated, in case of any violation of the Regulations by any person

#### iv. Meeting and Attendance during the Year

**During the Financial Year ended on March 31, 2018 five (5) meetings were held on 30.05.2017, 10.08.2017, 14.11.2017, 30.01.2018, 13.02.2018**

**Details of attendance of Members at these are:**

| Sl No. | Name of the Member  | No. of Meetings Attended |
|--------|---------------------|--------------------------|
| 1      | Mr. Vivek Goyal*    | 1                        |
| 2      | Mr. P.K. Saxena**   | 1                        |
| 3      | Ms. Tanvi Kumar     | 4                        |
| 4      | Mr. Anish Bansal    | 5                        |
| 5      | Ms. Neelima Jain*** | 4                        |

\* Mr. Vivek Goyal was appointed as Chairman of Audit Committee in the Board Meeting held on 30.01.2018.

\*\* Mr. P.K. Saxena was appointed as member of Audit Committee in the Board Meeting held on 30.01.2018.

\*\*\*Ms. Neelima Jain Resigned w.e.f. 13.02.2018

## B. NOMINATION AND REMUNERATION COMMITTEE

The Committee has been reconstituted on 13.02.2018 by induction of Mr. Ajay Sahay, Independent Director as member thereof.

### i. Composition

**The Committee comprises of Three (3) Non-Executive Independent Directors and one (1) Executive Directors viz.:**

- a) Mr. P.K. Saxena (Non- Executive Independent Director, Chairman)
- b) Mr. Vivek Goyal (Non- Executive Independent Director)
- c) Mr. Ajay Sahay (Non Executive Independent Director)
- d) Mr. Ajay Kumar Bansal (Executive Managing Director)

The current constitution meets the requirement of the provision of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### ii. Terms of reference

- ❖ Recommend to the Board the setup and composition of the Board and its Committees, including the "Formulation of the criteria for determining qualifications, positive attributes and independence of a Director." The Committee will consider periodical reviewing the composition of the Board with the objectives of achieving an optimum balance of Size, Skills, independence, knowledge, age, gender and experience.
- ❖ Recommend to the Board the appointment or reappointment of Directors.
- ❖ Devise a policy on Board Diversity.
- ❖ Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- ❖ Carry out the evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board". Additional the Committee may also oversee the performance review process of the KMP and Executive team of the Company.
- ❖ Recommend to the Board the Remuneration policy for Directors, executive team or Key Managerial Personnel as well as the rest of the Employees.

- ❖ On an Annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- ❖ Oversee the familiarization programmes for directors.
- ❖ Oversee the Human Resource philosophy, Human Resource and people strategy and Human Resource Practices including those for Leadership development, reward and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and Executive Team).
- ❖ Provide Guidelines for remuneration of Directors on Material Subsidiaries.
- ❖ Recommend to the Board on Voting Pattern for appointment and Remuneration of Directors on the Boards of Its material Subsidiary of the Companies.
- ❖ Performing such other duties and Responsibilities as may be consistent with the provisions of the Committee charter.

### iii. Meeting and Attendance during the year

During the Financial Year ended on March 31, 2018, Six Meetings of the Committee were held on 10.04.2017, 18.07.2017, 10.08.2017, 30.01.2018, 13.02.2018, 01.03.2018.

#### Details of the members at the meetings are:

| Sl No. | Name of the Member    | No. of Meetings Attended |
|--------|-----------------------|--------------------------|
| 1      | Mr. Vivek Goyal*      | 2                        |
| 2      | Mr. P.K. Saxena**     | 1                        |
| 3      | Ms. Ajay Sahay##      | 1                        |
| 4      | Mr. Ajay Kumar Bansal | 6                        |
| 5      | Ms. Neelima Jain***   | 4                        |

\* Mr. Vivek Goyal was appointed as Chairman of Nomination and Remuneration Committee in the Board Meeting held on 30.01.2018.

\*\* Mr. P.K. Saxena was appointed as member of Nomination and Remuneration Committee in the Board Meeting held on 30.01.2018.

\*\*\*Ms. Neelima Jain Resigned w.e.f. 13.02.2018

# Mr. Ajay Sahay was appointed as member of the Nomination and Remuneration Committee in the Board Meeting held on 13.02.2018

### iv. Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on periodical basis. The Remuneration Policy is in consonance with the existing Industry norms. The tenure of office of the Managing Director, Whole Time Director is for certain period from their respective dates of appointments and can be terminated by either party by giving proper notice in writing.

### v. Performance Evaluation

In accordance to Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board Culture,

Execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board and independent director, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguard the interest of the Company and minority shareholders etc. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. Further, the performance evaluation of the Independent Directors was carried out by the Non Independent Directors who also reviewed the performance of Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### vi. Details of Remuneration of Directors (For the Financial Year ended 31.03.2018)

| S. No. | Name of the Director  | Salary and Allowances | Sitting Fees | Commission | Total     |
|--------|-----------------------|-----------------------|--------------|------------|-----------|
| 1.     | Mr. Ajay Kumar Bansal | 60,00,000             | -            | -          | 60,00,000 |
| 2.     | Mr. Anish Bansal      | 36,00,000             | -            | -          | 36,00,000 |
| 3.     | Ms. Tanvi Kumar       | -                     | 0            | 0          | 0         |
| 4.     | Mr. P.K. Saxena*      | -                     | 20,000       | -          | 20,000    |
| 5.     | Mr. Vivek Goyal**     | -                     | 40,000       | -          | 40,000    |
| 6.     | Mr. Ajay Sahay#       | -                     | 40,000       | -          | 40,000    |

\* Mr. P.K. Saxena has been appointed w.e.f. 30.01.2018 as Non-Executive Independent Director of the Company.

\*\* Mr. Vivek Goyal has been appointed w.e.f. 30.01.2018 as Non-Executive Independent Director of the Company.

# Mr. Ajay Sahay has been appointed w.e.f. 13.02.2018 as Non-Executive Independent Director of the Company.

**Criteria of making payments to Non-Executive Directors**

The Non-Executive and Independent Directors are paid sitting fee within the limit permissible under the Companies Act, 2013 and rules made there under from time to time. Any of the Independent Director shall not be eligible to get Stock option and also shall not be eligible to participate in any share based payment schemes of the Company. Remuneration paid to the Non-Executive/Independent Director for services rendered which are professional in nature shall not be considered for the limit prescribed in Section 197 of The Companies Act, 2013

**Service Contract, Severance Fees and Notice Period**

Directors of the Company are ultimately appointed by the Shareholders upon recommendation of the Board of Directors within the framework of the Companies Act, 2013 as well as the Articles of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Resolutions passed by these two governing bodies together with the service rules of the Company covers the terms, conditions and remuneration of such appointment. There is no service contract separately entered into by the Company with the Directors. Further, the resolutions appointing these Directors do not prescribe for the payment of any separate Severance Fees to them. However, the requirement of notice period is as per the service rules of the Company.

**Shareholding of Non-Executive Directors in the Company**

As per the declarations received from the Non-Executive Directors, none of them hold any shares or convertible instruments in the Company.

**C. STAKEHOLDER REALTIONSHIP COMMITTEE**

The Committee has been reconstituted on 13.02.2018 by induction of Mr. Ajay Sahay, Independent Director as member thereof.

**i. Compositon:**

The Committee comprises of Two (2) Non-Executive Independent Directors and One (1) Executive Director viz.

- a) Mr. Vivek Goyal (Non-Executive Independent Director, Chairman of the Committee)
- b) Mr. Ajay Sahay (Non-Executive Independent Director)
- c) Mr. Ajay Kumar Bansal (Executive Managing Director of the Company)

**ii. Terms of References**

- Redressal of shareholders'/investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the Listing Agreement."

**iii. Meeting and Attendance during the year**

During the FY ended March 31, 2018 no Request/ Complaint was received by the Company, hence no meeting was held in that period.

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Committee has been reconstituted on 13.02.2018 by induction of Mr. Ajay Sahay, Independent Director as member thereof.

**i. Composition**

**The Committee comprises of Two (2) Executive Directors and (2) Non-Executive Independent Directors viz.**

- a) Mr. Anish Bansal (Executive Director, Chairman of the Committee)
- b) Mr. Ajay Kumar Bansal (Executive Managing Director of the Company)
- c) Mr. Ajay Sahay (Non-Exectuive Independent Director of the Company)
- d) Ms. Tanvi Kumar (Non-Exectuive Independent Director of the Company)

**ii. Terms of References**

- 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;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- 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



**iii. Meeting and Attendance during the year**

During the Financial Year March 31, 2018 two meetings were held on 30.05.2017 and 30.06.2017.

Details of attendance of Members at the meeting are:

| Sl No. | Name of the Member    | No. of Meetings Attended |
|--------|-----------------------|--------------------------|
| 1      | Mr. Anish Bansal      | 2                        |
| 2      | Mr. Ajay Kumar Bansal | 2                        |
| 3      | Mr. Ajay Sahay*       | 0                        |
| 4      | Ms. Tanvi Kumar**     | 0                        |

\* Mr. Ajay Sahya has been appointed as member of CSR committee in the Board Meeting held on 13.02.2018.

\*\* Ms. Tanvi Kumar has been appointed as member of CSR committee in the Board Meeting held on 30.01.2018

**E. OTHER NON MANDATORY COMMITTEES OF THE BOARD**

The Company has following other Committees to speed up routine matters and to comply with other statutory formalities. They meet as and when required. The Company Secretary acts as Secretary of the Committee.

**i. Executive Committee of the Board**

The Committee comprises of Two Members viz.

- Mr. Ajay Bansal (Chairman of the Committee)
- Mr. Anish Bansal

The terms of Reference of Executive Committee is available on the website of the Company viz. [www.hitechpipes.in/images/Investorpdf/TermCommitteeSecuritiesAllotmentCommittee.pdf](http://www.hitechpipes.in/images/Investorpdf/TermCommitteeSecuritiesAllotmentCommittee.pdf)

**ii. Securities Allotment Committee**

The Committee Comprises of Three Members viz.

- Mr. Ajay Kumar Bansal (Chairman)
- Mr. Anish Bansal
- Mr. Ajay Sahay

The terms of Reference of Securities Allotment Committee is available on the website of the Company viz. [www.hitechpipes.in/images/Investorpdf/TermCommitteeSecuritiesAllotmentCommittee.pdf](http://www.hitechpipes.in/images/Investorpdf/TermCommitteeSecuritiesAllotmentCommittee.pdf)

**iii. Risk Management Committee**

The Committee Comprises of Three Members viz.

- Mr. Anish Bansal (Chairman)
- Mr. Tanvi Kumar
- Mr. P.K. Saxena

The terms of Reference of Securities Allotment Committee is available on the website of the Company viz. [www.hitechpipes.in/images/investorspdf/RiskManagementPolicy.pdf](http://www.hitechpipes.in/images/investorspdf/RiskManagementPolicy.pdf)

**5. GENERAL BODY MEETINGS:****i) Particulars of Past Three Annual General Meetings:**

| Year    | Venue  | Date, Day & Time                      | Special Resolution passed   |
|---------|--|---------------------------------------|---|
| 2016-17 | Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi-110026               | 25/09/2017<br>Monday<br>11:30 A.M.    | 1. Approval under section 180(1)(c) of The Companies Act, 2013 to borrows Money not exceeding ₹1000 Crore   |
| 2015-16 | Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi-110026               | 29/09/2016<br>Thursday<br>11:30 A.M.  | 2. Approval under section 180(1)(c) of The Companies Act, 2013 to borrows Money not exceeding ₹500 Crore<br>3. Approval under section 180(1)(a) of The Companies Act, 2013 to mortgaging and/or charging all or any of the present and/or future movable and/or immovable properties and assets upto a sum not exceeding ₹500 Crore   |
| 2014-15 | 505, Pearls Omaxe Tower, Netaji Subhash Palce, Pitampura, New Delhi-110034 | 23/09/2015<br>Wednesday<br>10:30 A.M. | 1. Resolution for Issuing 37,85,550 Bonus Shares<br>2. Adoption of Memorandum of Association of Company as per The Companies Act, 2013<br>3. Adoption of New Sets of Articles as per The Companies Act, 2013<br>4. Approval under Section 186 of The Companies Act, 2013 for an amount not exceeding of ₹100 Crore<br>5. Approval for issue and allot Equity Shares for an amount not exceeding ₹25 Crores<br>6. Approval w.r.t. Revision of Remuneration of Mr. Ajay Kumar Bansal, Managing Director of the Company<br>7. Approval w.r.t. Revision of Remuneration of Mr. Anish Bansal, Executive Director of the Company.<br>8. Approval under section 180(1)(c) of The Companies Act, 2013 to borrows Money not exceeding ₹350 Crore |

## 6. POSTAL BALLOT

During the year the Company has conducted Two (2) Postal Ballot, pursuant to Section 110 of the Companies Act, 2013.

### i) Details of Postal Ballot:

| S. No. | Description / (nature of resolution)   | Date of Notice    | Date of Dispatch of Postal Ballot forms to Members | Last Date of receiving of Postal Ballot forms including e-voting | Date of passing of Resolution |
|--------|--|-------------------|--|--|-------------------------------|
|        |  | February 13, 2018 | February 15, 2018                                  | March 17, 2018   | March 17, 2018                |
| 1.     | Ordinary Resolution under section 61 of The Companies Act, 2013 to Increase in Authorized Share Capital of the Company   |                   |  |  |                               |
| 2.     | Special Resolution under Section 13 and 61 of The Companies Act, 2013 for Alteration of Capital Clause of Memorandum of Association.   |                   |  |  |                               |
| 3.     | Special Resolution under Section 42, 62 of the Companies Act, 2013 for issue and allotment 8,50,000 Fully Convertible Warrants having a Face Value of ₹10 each at an Issue price of ₹ 400/- each to the persons belonging to Promoter, Promoter Group and Non-Promoter Category. |                   |  |  |                               |
| 4.     | Special Resolution under Section 42, 62 of the Companies Act, 2013 for issue and allotment of 2,00,000 Equity Shares having a Face Value of ₹10 each at an Issue price of ₹400/- to the persons belonging to Promoter, Promoter Group.   |                   |  |  |                               |
| 5.     | Ordinary resolution under section 149, 150, 152, of The Companies Act, 2013 to appoint Mr. P.K. Saxena as an Independent Director of the Company   |                   |  |  |                               |
| 6.     | Ordinary resolution under section 149, 150, 152, of The Companies Act, 2013 to appoint Mr. Vivek Goyal as an Independent Director of the Company   |                   |  |  |                               |
| 7.     | Ordinary resolution under section 149, 150, 152, of The Companies Act, 2013 to appoint Mr. Ajay Sahay as an Independent Director of the Company.   |                   |  |  |                               |

### Voting Results:

| For Item No. | No. of Shares for which valid votes received | Votes in favour of the Resolution | Votes against the Resolution |
|--------------|--|-----------------------------------|------------------------------|
| 1.           | 68,03,100                                    | 68,03,100                         | 0                            |
| 2.           | 68,03,100                                    | 68,03,100                         | 0                            |
| 3.           | 68,03,100                                    | 68,00,100                         | 3000                         |
| 4.           | 68,03,100                                    | 68,00,100                         | 3000                         |
| 5.           | 68,03,100                                    | 68,00,100                         | 3000                         |
| 6.           | 68,03,100                                    | 68,00,100                         | 3000                         |
| 7.           | 68,03,100                                    | 68,00,100                         | 3000                         |

### SCRUTINIZER:

Mr. Arun Kumar Gupta, Practicing Company Secretary was the Scrutinizer for conducting the Postal Ballot Procedure.

### PROCEDURE OF POSTAL BALLOT

Postal Ballot Forms were dispatched to the members on February 15, 2018 after fixing the cut-off date as February 09, 2018 i.e. the date on which the voting rights of the members were reckoned. The last date of receiving duly completed and signed Postal Ballot Forms including the Voting through Electronic form was March 17, 2018. Postal Ballot Forms received after the said date were treated as reply was not received from such shareholders. The Result of Postal Ballot was declared on March 19, 2018.

### ii)

| Item No. | Description / (nature of resolution)  | Date of Notice | Date of Dispatch of Postal Ballot forms to Members | Last Date of receiving of Postal Ballot forms including e-voting | Date of passing of Resolution |
|----------|---|----------------|--|--|-------------------------------|
|          |   | March 01, 2018 | March 01, 2018                                     | March 31, 2018   | March 31, 2018                |
| 1.       | Special Resolution under chapter XB of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 requires votes cast by share holder other than promoter in favour of the proposal amount to atleast to times the number of votes cast against, for Migration of Listing/ Trading of Equity Shares of the Company from NSE Emerge to the main Board of NSE (Capital Market Segment) |                |  |  |                               |
| 2.       | Special Resolution under Section 14 of the Companies Act, 2013 for amendment in Common Seal Clause of Article of Association  |                |  |  |                               |

**Voting Results:**

| For Item No. | No. of Shares for which valid votes received | Votes in favour of the Resolution | Votes against the Resolutionn |
|--------------|--|-----------------------------------|-------------------------------|
| 1.           | 72,05,100                                    | 72,05,100                         | 0                             |
| 2.           | 72,05,100                                    | 72,05,100                         | 0                             |

**SCRUTINIZER**

Mr. Arun Kumar Gupta, Practicing Company Secretary was the Scrutinizer for conducting the Postal Ballot Procedure.

**PROCEDURE OF POSTAL BALLOT**

Postal Ballot Forms were dispatched to the members on March 01, 2018 after fixing the cut-off date as February 23, 2018 i.e. the date on which the voting rights of the members were reckoned. The last date of receiving duly completed and signed Postal Ballot Forms including the Voting through Electronic form was March 31, 2018. Postal Ballot Forms received after the said date were treated as reply was not received from such shareholders. The Result of Postal Ballot was declared on April 02, 2018.

**7. DISCLOSURES**

- i) List of related parties and materially significant related-party transactions have been given in Note no. 36 of Significant Accounting Policies and Notes on Financial statements. However, there is no related party transaction which has potential conflict with the interests of Company at large.
- ii) The Company has complied with various rules and regulations prescribed by the Stock Exchanges, SEBI or other statutory authorities relating to the capital markets as and when and to the extent it become applicable to the Company. No penalties or strictures have been imposed by them on the Company in the last Two years, since its inception.
- iii) As per the Whistle Blower Policy of the Company every employee of the Company has an open access to the respective Functional Heads, Head HRD, Managing Director as well as Executive Chairman so as to ensure ethical and fair conduct of the business of the Company. Further no personnel have been denied access to the Audit Committee during the FY ended March 31, 2018.
- iv) During the FY, the Company has complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v) The Policy for determining 'Material' Subsidiaries is available at [http://www.hitechpipes.in/images/investorspdf/Policy\\_for\\_determining\\_Material\\_Subsiidiaries.pdf](http://www.hitechpipes.in/images/investorspdf/Policy_for_determining_Material_Subsiidiaries.pdf)
- vi) The Policy on dealing with related party is available at [http://www.hitechpipes.in/images/investorspdf/Policy\\_on\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://www.hitechpipes.in/images/investorspdf/Policy_on_Dealing_with_Related_Party_Transactions.pdf)

**8. MEANS OF COMMUNICATION**

Being an entity listed on NSE Emerge i.e. the SME Platform of NSE, regulation 31 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for filing the Results on Quarterly basis is not applicable, the Company is only required to file the Results on Half Yearly as well as Annual basis and the Company had regularly filed Financial Results of the Company on Half Yearly basis and Annual basis, the Results are normally published in the leading newspapers like The Financial Express (English), Business Standard (English & Hindi) and Jansatta (Hindi). The Financial Results are also furnished to stock exchange(s). The results are also posted on the Company's website [www.hitechpipes.in](http://www.hitechpipes.in) from time to time. Further, the Company also displays the official news releases and presentations made to the Institutional Investors and to the Analysts on its website.

**9. SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

The investor complaints are processed in centralized web based complaints redress system. The salient features of this system are Centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and its current status.

The SCORES Id of the Company is h00391. As of the date of this Report no Invetsor Complaint were pending.

**10. GENERAL INFORMATION FOR SHAREHOLDERS****a. Annual General Meeting**

The Annual General Meeting of the Company is scheduled to be held on Monday the 16th day of July, 2018 at 10:30 AM at Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi - 110026.

**b. Financial Calendar 2018-19 (tentative and subject to change)**

|                          |                                     |
|--------------------------|-------------------------------------|
| First Quarterly Results  | on or before<br>August 14, 2018     |
| Second Quarterly Results | on or before<br>November 14, 2018   |
| Third Quarterly Results  | on or before<br>February 14, 2018   |
| Annual results           | on or before end of<br>May 30, 2019 |

**c. Date of Book Closure**

07th July, 2018 to 15th July, 2018 (Both days inclusive) for payment of dividend, if declared.

**d. Dividend Payment Date, if declared**

On or Before 15th August, 2018

**e. Listing on Stock Exchange**

Equity Shares of the Company are Listed on:

- NSE (National Stock Exchange of India Limited),

Address: NSE Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai-400051

Annual Listing Fees for the FY 2017-2018 has been paid to the above Stock Exchanges. The Company has also paid annual custodial fees for FY 2018-19 to National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).

**f. Stock Code**

|  |              |
|--|--------------|
| i. National Stock Exchange<br>EMERGE   | HITECH       |
| ii. International Securities<br>Identification Number (ISIN) of<br>Equity Shares | INE106T01017 |

**g. Market Price Data**

Monthly high and Low market price data of Equity Shares traded on stock exchange(s):

| Month           | NSE            |               |
|-----------------|----------------|---------------|
|                 | High Price (₹) | Low Price (₹) |
| April, 2017     | 150            | 115           |
| May, 2017       | 170            | 140           |
| June, 2017      | 183            | 142           |
| July, 2017      | 185            | 145           |
| August, 2017    | 191            | 160           |
| September, 2017 | 231            | 170           |
| October, 2017   | 240            | 204           |
| November, 2017  | 273            | 203           |
| December, 2017  | 364            | 240           |
| January, 2018   | 449            | 348           |
| February, 2018  | 400            | 325           |
| March, 2018     | 392            | 348           |

**h. Performance of the Company's Share price as compared to S & P CNX Nifty:**

The Company was listed on NSE EMERGE the SME platform of NSE for the whole of Financial Year 2017-18. Hence, no comparison is available.

**i. Address for Correspondence by Investors**
**- Registrar & Share Transfer Agent**

M/s Bigshare Services Private Limited is the Registrar and Transfer Agent (RTA) of the Company in respect of the Equity shares held in Demat and Physical mode, if any. All work related to Shares Registry, both in physical and electronic form, is handled by the Company's Registrar & Share Transfer Agent. Its address is as follows:

**M/s Bigshare Services Private Limited**

(Unit: Hi-Tech Pipes Limited)

4E/8, First Floor, Jhandewalan Extension, New Delhi-110055

Tel: 011 23522373 and 011-42425004

**E-mail:** bssdelhi@bigshareonline.com, yksinghal@bigshareonline.com

**Website:** www.bigshareonline.com

- Mr. Arun Kumar Company Secretary is the Compliance Officer as per Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Investors' complaint may also be addressed to him at the following address:

**Company Secretary**

Hi-Tech Pipes Limited

Registered Office: 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034

Tel. +91-11-48440050

Email: cs@hitechpipes.in

info@hitechpipes.in

**j. Share Transfer System**

M/s Bigshare Services Private Limited processes the share transfer/transmission requests received in physical form, if any, at an interval of every 10 days and the same are approved by Share/ Debenture Transfer Committee constituted by Board of Directors.

**k. Distribution of Shareholding by size as on 31.03.2018**



| Range of Equity Shares | No. of Share-holders | Percentage | No. of Shares | Percent-age |
|------------------------|----------------------|------------|---------------|-------------|
| Upto 5000              | 158                  | 20.4134    | 79000         | 0.7669      |
| 5001 - 10000           | 88                   | 11.3695    | 88000         | 0.8543      |
| 10001 - 20000          | 207                  | 26.7442    | 330500        | 3.2084      |
| 20001 - 30000          | 136                  | 17.5711    | 398000        | 3.8637      |
| 30001 - 40000          | 27                   | 03.4884    | 101000        | 0.9805      |
| 40001 - 50000          | 21                   | 02.7132    | 97000         | 0.9416      |
| 50001 - 100000         | 68                   | 08.7855    | 515800        | 5.0072      |
| 100001 - 999999999     | 69                   | 08.9147    | 8691800       | 84.3774     |
| Total                  | 774                  | 100.00     | 10301100      | 100.00      |

**I. Dematerialization of shares and liquidity**

The shares of the Company are tradable compulsorily in demat form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). As on March 31, 2017, 100% of the Company's total share capital was held in dematerialized form. The International Security Identification Number (ISIN) allotted to the Company's Equity Shares is INE106T01017. The Company's shares are actively traded on NSE EMERGE.

**m. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any ADRs, GDRs or any other convertible instruments except 8,00,000 Fully Convertible Warrants having a face value of ₹10 each at an issue price of ₹400/- each, convertible within a maximum permissible period of 18 months from the date of allotment, to the persons belonging to Promoter, Promoter Group and Non Promoter Category in following manner:

| Name                      | No. of Warrants | Date of Allotment | Date of Maturity |
|---------------------------|-----------------|-------------------|------------------|
| Mr. Anish Bansal          | 2,25,000        | 28/03/2018        | 27/09/2019       |
| Mr. Vipul Bansal          | 2,25,000        | 28/03/2018        | 27/09/2019       |
| Mr. Praveen Kumar Jain    | 25,000          | 28/03/2018        | 27/09/2019       |
| Mr. Vipin Aggarwal        | 25,000          | 28/03/2018        | 27/09/2019       |
| Mr. Neeraj Kumar Aggarwal | 1,00,000        | 26/03/2018        | 25/09/2019       |
| Mr. Vasudev Goel          | 50,000          | 26/03/2018        | 25/09/2019       |
| Mr. Dharmender Goel       | 50,000          | 27/03/2018        | 26/09/2019       |
| Mr. Rohit Goel            | 50,000          | 27/03/2018        | 26/09/2019       |
| Mr. Prateek goel          | 50,000          | 27/03/2018        | 26/09/2019       |

**n. Plant Locations**

**The Company is having Four State of Art Manufacturing Facility at Consolidated basis viz.**

- Two Plant at Sikandarabad, Uttar Pradesh  
Plot No. 10, UPSIDC Sikandrabad, Bulandshahar Uttar Pradesh-203 205  
Plot No. 16. UPSIDC Sikandrabad, Bulandshahar Uttar Pradesh-203 205
- One at Ahmedabad, Gujarat  
Plot No. E-6, GIDC BOL-II, Sanand, Ahmedabad Gujarat-382 170
- One at Hindupur, Andhra Pradesh  
41-B, Gollapuram Hindupur Andhra Pradesh-515 211

The Registered Office of the Cpmpany is 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034

**11. MD/CFO CERTIFICATION**

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman and Managing Director and the Chief Financial Officer of the Company have given compliance certificate, stating therein the matter prescribed under Part B of Schedule II of the said regulations. Copy of the Certificate is enclosed with the report.

In terms of Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman and Managing Director and CFO certified the financial results while placing the final results before the board.

## 12. PROMOTER AND CONTROLLING GROUP

The Promoter/ Promoter Group(s) of the Company are as follows:

| S. No. | Name                                   |
|--------|--|
| 1      | Mr. Ajay Kumar Bansal                  |
| 2      | Mr. Anish Bansal                       |
| 3      | Ms. Parveen Bansal                     |
| 4      | Mr. Vipul Bansal                       |
| 5      | Ajay Kumar & Sons HUF                  |
| 6      | Ms. Shweta Bansal                      |
| 7      | Mr. Richi Bansal                       |
| 8      | Mr. Naresh Kumar Bansal                |
| 9      | Ms. Krati Bansal                       |
| 10     | Ms. Kumud Bansal                       |
| 11     | M/s Hi-Tech Agrovision Private Limited |
| 12     | M/s AKS Buildcon Private Limited       |

## 13. OTHER REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange(s). Further, compliance of other requirements of the said regulations is provided below;

### i. Non-Executive Chairman's Office:

The Chairman of the Company is an Executive Chairman and hence this provision is not applicable.

All Independent Directors are appointed/ reappointed in accordance with guidelines determined by the Board from time to time. Further, all the independent directors of the Company possess good qualifications and experience which is very useful to the Company and they contribute effectively to the Company in their capacity as Independent Directors of the Company. No maximum tenure has been specifically determined for the Independent Director

### ii. Nomination and Remuneration Committee:

The Company has formed a Nomination and Remuneration Committee. The details of Nomination and Remuneration Committee as to scope and composition are detailed out earlier in this report.

### iii. Shareholders' Rights:

According to the Applicability of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Companies Listed on SME Platform shall deceler their Results on Half Yearly basis. Therefore, Half-yearly and Annual financial results of the Company are duly published in English language in newspapers having nation- wide circulation and also in regional language newspapers of the registered office of the Company. Further, these results are also posted on the website of the Company [www.hitechpipes.in](http://www.hitechpipes.in). Annual Report containing the detailed Balance

Sheet and Profit & Loss Account is also sent to every shareholder of the Company.

### iv. Audit Qualifications/ Remarks

As explained in Directors' Report.

### v. Mechanism of evaluation of Non-Executive Directors

The Board of Directors including Non-Executive Directors is cast with the responsibility of strategic supervision of the Company. In view of the same, the Board evaluates its Non-Executive Directors on the basis of individual contribution towards fulfillment of this responsibility.

### vi. POLICY ON SUBSIDIARY

1. The Company shall consider a subsidiary as a material subsidiary if it satisfies any of the following criteria:

- the investment of the Company in the Subsidiary exceeds twenty per cent (20%) of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- the Subsidiary has generated twenty per cent (20%) of the consolidated income of the Company during the previous financial year.

2. The Board shall appoint one of the Independent Director of the Company as a Director on the board of directors of the Material Non-Listed Indian Subsidiary.

3. The Company shall follow such governance procedures in relation to Material Subsidiaries as may be outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act from time to time.

4. The Company shall not

- dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than fifty percent (50%)/ cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal; or
- sell, dispose and/or lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5. The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard.

In case of 1 (a), monitoring shall be done as and when an investment is made in any of the Subsidiary(s).

And in case of 1(b), monitoring shall be done at the time of finalizing the consolidated audited accounts.

This Policy may be amended by the Board from time to time to be in line with any amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Act and such other guidelines issued by SEBI.

#### **14. COMPLIANCE CERTIFICATE FROM THE AUDITORS OF THE COMPANY**

Certificate from M/s A.N. Garg & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) and 53(f) read with part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.

#### **15. COMPLIANCE OF CODE OF CONDUCT**

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. The Code of Conduct has been posted on the website of the Company. All Board Members and the Senior Management personnel have affirmed their compliance with the said Code of Conduct for the FY ended March 31, 2018. The declaration to this effect duly signed by Mr. Ajay Kumar Bansal, Chairman and Managing Director, is given hereunder:

#### **Declaration under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

*I, Ajay Kumar Bansal, Chairman and Managing Director of the Company confirm the compliance of this Code of Conduct by myself and other members of the Board of Directors and Senior Managerial personnel as affirmed by them individually.*

**For Hi-Tech Pipes Limited**

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

Place : New Delhi  
Date : 22.05.2018

#### **REGISTERED OFFICE:**

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

## **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, 2018 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

**Arvind Bansal**  
CFO

**Date: May 22, 2018**  
**Place: New Delhi**



## AUDITORS' REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Hi-Tech Pipes Limited

We have examined the compliance of conditions of Corporate Governance by Hi-Tech Pipes Limited ("the Company"), for the year ended 31st March, 2018, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.N. Garg & Co.**  
**Chartered Accountants**  
**FRN:004616N**

**AN Garg**  
**FCA, Partner**  
**M. No. 083687**

Place: New Delhi  
Date: 22.05.2018

# **CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

To  
The Members of,  
HI-Tech Pipes Limited  
New Delhi

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of HI-TECH PIPES Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/ loss, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements).

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 consolidated Ind AS financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit/loss, consolidated total comprehensive income/ loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matters

The comparative financial information of the Group for the year ended 31st March 2017, and the related transition date opening balance sheet as at 1st April 2016 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended 31st March 2017 and 31st March 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

**Report on Other Legal and Regulatory Requirements**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March 2018 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 and the operating

effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements of the company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements.
  - ii. The Group did not have any long term contracts include derivative contracts. Hence the question of any foreseeable losses does no arise.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **A. N. GARG & COMPANY**  
Chartered Accountants  
FRN- 004616N

Place : New Delhi  
Date : 22.05.2018

**A. N. GARG**  
(FCA, Partner)  
M.No.-083687

## Annexure to the Independent Auditor's Report

**(Referred to in paragraph under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the financial statements of the company for the period 1st April 2017 to 31st March 2018)**

**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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of HI-TECH PIPES Limited (hereinafter referred to as "the Holding Company" / "Parent"), as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company / Parent, is responsible for establishing and maintaining internal financial controls based on [for example, "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 ("the ICAI").] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's/ Parent'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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding 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, 2018, 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 A. N. GARG & COMPANY**  
Chartered Accountants  
FRN- 004616N

**A. N. GARG**  
(FCA, Partner)  
M.No.-083687

Place : New Delhi  
Date : 22.05.2018



# Consolidated Balance Sheet

As At March 31, 2018

(₹ in Lakhs)

| DESCRIPTION                           | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---------------------------------------|----------|------------------|------------------|------------------|
| <b>I ASSETS</b>                       |          |                  |                  |                  |
| <b>Non-Current Assets</b>             |          |                  |                  |                  |
| (a) Property, Plant & Equipments      | 2        | 12,392.29        | 8,113.11         | 5,511.69         |
| (b) Capital Work-in-Progress          | 3        | 1,740.43         | 767.34           | 651.19           |
| (c) Other Intangible assets           | 4        | 7.03             | 10.23            | 4.93             |
| (d) Financial Assets                  |          |                  |                  |                  |
| (i) Investments                       | 5        | 0.03             | 0.03             | -                |
| (ii) Loans                            | 6        | 272.03           | 262.14           | 245.29           |
| (e) Other non-current assets          | 7        | 530.70           | 450.28           | 265.28           |
| <b>Total Non-Current Asset</b>        |          | <b>14,942.51</b> | <b>9,603.13</b>  | <b>6,678.38</b>  |
| <b>Current Assets</b>                 |          |                  |                  |                  |
| (a) Inventories                       | 8        | 15,434.36        | 12,437.38        | 10,172.09        |
| (b) Financial Assets                  |          |                  |                  |                  |
| (i) Trade receivables                 | 9        | 10,393.00        | 9,586.10         | 6,749.85         |
| (ii) Cash and cash equivalents        | 10       | 90.67            | 101.82           | 249.76           |
| (iii) Bank balances                   | 11       | 1,189.78         | 1,540.27         | 1,021.96         |
| (c) Other current assets              | 12       | 2,808.22         | 2,685.12         | 3,071.78         |
| <b>Total Current Assets</b>           |          | <b>29,916.03</b> | <b>26,350.68</b> | <b>21,265.45</b> |
| <b>Total Assets</b>                   |          | <b>44,858.54</b> | <b>35,953.81</b> | <b>27,943.83</b> |
| <b>II EQUITY AND LIABILITIES:</b>     |          |                  |                  |                  |
| <b>Shareholders Funds</b>             |          |                  |                  |                  |
| (a) Equity Share Capital              | 13       | 1,050.11         | 1,030.11         | 1,030.11         |
| (b) Other Equity                      | 14       | 10,307.25        | 6,657.57         | 5,664.22         |
| <b>Total Equity</b>                   |          | <b>11,357.36</b> | <b>7,687.69</b>  | <b>6,694.33</b>  |
| <b>Non-Current Liabilities</b>        |          |                  |                  |                  |
| (a) Financial Liabilities             |          |                  |                  |                  |
| (i) Borrowings                        | 15       | 7,043.58         | 4,896.09         | 3,210.54         |
| (ii) Other financial liabilities      | 16       | 637.51           | 1,021.64         | 953.79           |
| (b) Provisions                        | 17       | 55.87            | 59.91            | 63.32            |
| (c) Deferred tax liabilities (Net)    | 18       | 643.38           | 375.42           | 304.85           |
| <b>Total Non-Current Liabilities</b>  |          | <b>8,380.34</b>  | <b>6,353.06</b>  | <b>4,532.50</b>  |
| <b>Current Liabilities</b>            |          |                  |                  |                  |
| (a) Financial Liabilities             |          |                  |                  |                  |
| (i) Borrowings                        | 19       | 17,213.63        | 11,976.66        | 10,336.80        |
| (ii) Trade payables                   | 20       | 4,544.48         | 5,752.78         | 3,744.61         |
| (iii) Other financial liabilities     | 21       | 1,308.60         | 1,115.75         | 661.31           |
| (b) Other current liabilities         | 22       | 1,596.07         | 2,273.49         | 1,331.24         |
| (c) Provisions                        | 23       | 124.57           | 578.88           | 515.68           |
| (d) Current Tax Liabilities (Net)     |          | 333.50           | 215.51           | 127.38           |
| <b>Total Current Liabilities</b>      |          | <b>25,120.84</b> | <b>21,913.06</b> | <b>16,717.01</b> |
| <b>Total Liabilities</b>              |          | <b>33,501.18</b> | <b>28,266.12</b> | <b>21,249.51</b> |
| <b>Total Equity &amp; Liabilities</b> |          | <b>44,858.54</b> | <b>35,953.81</b> | <b>27,943.83</b> |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

**For A.N. Garg & Company**

 Chartered Accountants  
 ICAI Regn No. 004616N

**A.N. Garg**

 Partner  
 Membership No. 083687  
 Place: New Delhi  
 Date: May 22, 2018

**Ajay Kumar Bansal**  
 Managing Director  
 DIN : 01070123

**Arvind Bansal**  
 Chief Financial Officer

**Anish Bansal**  
 Director  
 DIN : 00670250

**Arun Kumar**  
 Company Secretary

## Consolidated Statement of Profit and Loss

### for the Year ended 31st March 2018

(₹ in Lakhs)

| Particulars |  | Note No | For the Year ended<br>3/31/2018 | For the Year ended<br>3/31/2017 |
|-------------|--|---------|---------------------------------|---------------------------------|
| <b>I</b>    | Revenue from operations  | 24      | 104,024.68                      | 71,531.69                       |
| <b>II</b>   | Other income   | 25      | 131.01                          | 238.78                          |
| <b>III</b>  | <b>Total income (I + II)</b>   |         | <b>104,155.69</b>               | <b>71,770.47</b>                |
| <b>IV</b>   | <b>Expenses:</b>   |         |                                 |                                 |
|             | Cost of materials consumed   | 26      | 89,029.75                       | 53,780.30                       |
|             | Purchases of stock-in-trade  |         | 3,881.66                        | 3,064.60                        |
|             | Changes in inventories of finished goods, work-in-progress and stock-in-trade    | 26      | (1,577.04)                      | (577.60)                        |
|             | Employee benefits expense  | 27      | 1,211.93                        | 1,058.29                        |
|             | Finance costs  | 28      | 2,742.83                        | 2,044.57                        |
|             | Depreciation and Amortization Expenses   | 29      | 400.07                          | 693.73                          |
|             | Excise Duty Expense  |         | 2,455.31                        | 7,788.79                        |
|             | Other expenses   | 30      | 3,008.69                        | 2,428.56                        |
|             | <b>Total expenses</b>  |         | <b>101,153.20</b>               | <b>70,281.24</b>                |
| <b>V</b>    | <b>Profit before exceptional items and tax (III-IV)</b>                          |         | <b>3,002.49</b>                 | <b>1,489.24</b>                 |
| <b>VI</b>   | <b>Exceptional items (refer note 46)</b>   |         | -                               | -                               |
| <b>VII</b>  | <b>Profit/(loss) before tax (V-VI)</b>   |         | <b>3,002.49</b>                 | <b>1,489.24</b>                 |
| <b>VIII</b> | <b>Tax expense/(benefit):</b>  |         |                                 |                                 |
|             | Current tax  | 18      | 632.56                          | 376.99                          |
|             | Deferred tax   | 18      | 471.12                          | 104.31                          |
|             | Previous Year Adjustments  |         | 1.17                            | -                               |
|             | MAT Credit Entitlement   |         | (203.18)                        | (30.21)                         |
|             |  |         | <b>901.67</b>                   | <b>451.09</b>                   |
| <b>IX</b>   | <b>Profit/(loss) for the years (VII-VIII)</b>                                    |         | <b>2,100.82</b>                 | <b>1,038.15</b>                 |
| <b>X</b>    | <b>Other comprehensive income</b>  |         |                                 |                                 |
| <b>A</b>    | i) Items that will not be reclassified to profit or loss                         |         |                                 |                                 |
|             | a) Changes in revaluation surplus  |         | -                               | -                               |
|             | b) Equity instruments through Other comprehensive income                         |         | -                               | -                               |
|             | ii) Income tax relating to items that will not be reclassified to profit or loss |         | -                               | -                               |
|             | <b>Total (A)</b>   |         | -                               | -                               |
| <b>B</b>    | i) Items that will be reclassified to profit or loss                             |         |                                 |                                 |
|             | (a) The effective portion of gains and loss on hedging instruments               |         | -                               | -                               |
|             | (b) Changes in Foreign Currency Monetary Item translation difference             |         | -                               | -                               |
|             | ii) Income tax relating to items that will be reclassified to profit or loss     |         | -                               | -                               |
|             | <b>Total (B)</b>   |         | -                               | -                               |
|             | <b>Total Other comprehensive income / (loss) (A+B)</b>                           |         | -                               | -                               |
| <b>XI</b>   | <b>Total comprehensive income / (loss) (IX + X)</b>                              |         | <b>2,100.82</b>                 | <b>1,038.15</b>                 |
| <b>XII</b>  | Earnings per equity share of Re. 10 each (refer note 34)                         | 31      |                                 |                                 |
|             | Basic  |         | 20.39                           | 10.08                           |
|             | Diluted  |         | 18.59                           | 10.08                           |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

**For A.N. Garg & Company**Chartered Accountants  
ICAI Regn No. 004616N**A.N. Garg**Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123**Arvind Bansal**  
Chief Financial Officer**Anish Bansal**  
Director  
DIN : 00670250**Arun Kumar**  
Company Secretary

## Consolidated Statement of Changes In Equity

for the year ended 31 March, 2018

### A. Equity Share Capital

(₹ in Lakhs)

| As at 01.04.2016 | Movement during the year | As at 31.03.2017 | Movement during the year | As at 31.03.2018 |
|------------------|--------------------------|------------------|--------------------------|------------------|
| 1,030.11         | -                        | 1,030.11         | 20.00                    | 1,050.11         |

### B. Other Equity

(Rs in Lakhs)

| Particulars                                 | Reserves & Surplus       |                   |                 |               |                  |
|---|--------------------------|-------------------|-----------------|---------------|------------------|
|   | Security Premium Reserve | Retained Earnings | General Reserve | Share Warrant |                  |
| <b>Opening Balance as at 1 April, 2016</b>  | <b>1,686.37</b>          | <b>1,132.25</b>   | <b>2,845.60</b> | -             | <b>5,664.22</b>  |
| Profit for the year                         | -                        | 1,038.15          |                 |               | 1,038.15         |
| Opening balance of subsidiary               | -                        | 17.48             | -               |               | 17.48            |
| Dividend including DDT                      | -                        | (62.28)           | -               |               | (62.28)          |
| Transfer to General Reserve                 | -                        | (100.00)          | 100.00          |               | -                |
| <b>Closing Balance as at 31 March, 2017</b> | <b>1,686.37</b>          | <b>2,025.60</b>   | <b>2,945.60</b> | -             | <b>6,657.57</b>  |
| Profit for the year                         | -                        | 2,100.82          | -               | -             | 2,100.82         |
| Fresh Issue of Share Warrant/ Equity Shares | 780.00                   |                   |                 | 800.00        | 1,580.00         |
| OCI for the year net of Income tax          | -                        | -                 | -               | -             | -                |
| Dividend including DDT                      | -                        | (31.14)           | -               | -             | (31.14)          |
| Transfer to General Reserve                 | -                        | (100.00)          | 100.00          | -             | -                |
| <b>Closing Balance as at 31 March, 2018</b> | <b>2,466.37</b>          | <b>3,995.28</b>   | <b>3,045.60</b> | <b>800.00</b> | <b>10,307.25</b> |

The accompanying notes are an integral part of the financial statements

As per our report of even date

#### For A.N. Garg & Company

 Chartered Accountants  
 ICAI Regn No. 004616N

#### A.N. Garg

 Partner  
 Membership No. 083687  
 Place: New Delhi  
 Date: May 22, 2018

For and on behalf of Board of Directors

#### Ajay Kumar Bansal

 Managing Director  
 DIN : 01070123

#### Arvind Bansal

Chief Financial Officer

#### Anish Bansal

 Director  
 DIN : 00670250

#### Arun Kumar

Company Secretary

# Cash Flow Statement

For the Year Ended March 31, 2018

(₹ in Lakhs)

| PARTICULARS  |   | For the year ended |           | For the year ended |           |
|--|---|--------------------|-----------|--------------------|-----------|
|  |   | 31.03.2018         |           | 31.03.2017         |           |
| A. CASH FLOW FROM THE OPERATING ACTIVITIES                         |   |                    |           |                    |           |
|  | Net Profit Before Tax and Extra Ordinary Activity             |                    | 3,002.49  |                    | 1,489.24  |
|  | Add/(Less) Adjustments for:                                   |                    |           |                    |           |
|  | Depreciation  | 400.07             |           | 693.73             |           |
|  | (Profit) / Loss on Sale of Fixed Assets                       | -                  |           | -46.67             |           |
|  | Interest Received   | -131.01            |           | -192.11            |           |
|  | Finance Costs   | 2,742.83           |           | 2,044.57           |           |
|  | Other Provisions  | -458.35            |           | 59.67              |           |
|  |   |                    | 2,553.54  |                    | 2,559.19  |
|  | Operating Profit Before Working Capital Changes               |                    | 5,556.03  |                    | 4,048.43  |
|  | Adjustments for:-   |                    |           |                    |           |
|  | Increase / (Decrease) Trade Paybles                           | -1,208.31          |           | 2,008.17           |           |
|  | Increase / (Decrease) Current Liabilities                     | -677.42            |           | 936.89             |           |
|  | Increase / (Decrease) Other Current Liabilities               | 192.85             |           | 454.44             |           |
|  | (Increase) / Decrease Loan & Advances                         | -42.76             |           | 386.66             |           |
|  | (Increase) / Decrease Trade Receivables                       | -806.81            |           | -2,836.24          |           |
|  | (Increase) / Decrease Inventories                             | -2,996.98          |           | -2,265.29          |           |
|  |   | -                  | -5,539.43 | -                  | -1,315.36 |
|  | Cash Generated from Operations                                |                    | 16.60     |                    | 2,733.07  |
|  | Direct Taxes Paid   |                    | 596.18    |                    | 292.38    |
| A. NET CASH FLOW FROM THE OPERATING ACTIVITIES                     |   |                    | -579.58   |                    | 2,440.69  |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES                            |   |                    |           |                    |           |
|  | Addition to /Advance for Capital Assets                       |                    | -5,649.14 |                    | -3,421.83 |
|  | Investment in Wholly Owned Subsidiary                         |                    | -         |                    | -0.03     |
|  | Bank deposits considered other than Cash and cash equivalents |                    | 350.49    |                    | -518.30   |
|  | Net Cash Flow From Investing Activities                       |                    | -5,298.65 |                    | -3,940.16 |
| C. CASH FLOW FROM FINANCING ACTIVITIES                             |   |                    |           |                    |           |
|  | Net Proceeds on issue of Equity Shares                        |                    | 1,600.00  |                    | -         |
|  | Dividend Paid (Including taxes)                               |                    | -31.14    |                    | -62.28    |
|  | Increase/ (Decrease) in Long Term Borrowings                  |                    | 2,147.50  |                    | 1,760.41  |
|  | Increase/ (Decrease) in Short Term Borrowings                 |                    | 5,236.98  |                    | 1,639.85  |
|  | Increase/ (Decrease) in Other Long Term Liabilities           |                    | -384.13   |                    | 67.85     |
|  | (Increase) / Decrease Other Non-Current assets                |                    | -90.30    |                    | -201.85   |
|  | Interest Received   |                    | 131.01    |                    | 192.11    |
|  | Finance Costs   |                    | -2,742.83 |                    | -2,044.57 |
|  | Net Cash Flow Used In Financing Activities                    |                    | 5,867.08  |                    | 1,351.52  |
| Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C) |   |                    | -11.15    |                    | -147.94   |
| Cash and Cash Equivalent at the Beginning of the Year              |   |                    | 101.82    |                    | 249.76    |
| Cash and Cash Equivalent at the Closing of the Year                |   |                    | 90.67     | -                  | 101.82    |
|  | Closing cash balance as per Balance sheet                     |                    | 90.67     |                    | 101.82    |

## For A.N. Garg & Company

Chartered Accountants  
ICAI Regn No. 004616N

## A.N. Garg

Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018

## For and on behalf of Board of Directors

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Sharma**  
Company Secretary

# Notes to the Consolidated Financial Statements

## Background

Hi-Tech Pipes Limited is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi – 110005, India and principal place of business is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034, India.

The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips & Engineering products and distribution of the same across India

## Note 1 Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### A) Basis of preparation:

#### i) Compliance with Ind AS :

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer Note 39 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'GAAP') to Ind AS has affected the financial position, financial performance and cash flows of the Company.

#### ii) Accrual basis of accounting

#### iii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for certain financial assets and liabilities that are measured at fair value

### B) Foreign currency transactions:

#### i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

#### ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

### C) Revenue recognition:

#### i) Timing of recognition :

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company.

This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

#### ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, GST ( Goods & Service Tax ) etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not.



Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

#### D) Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

#### E) Government grants:

- i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
- iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

#### F) Leases:

##### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

##### As a lessor:

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

**G) Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the basis of Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives :

| <b>Asset category</b> | <b>Estimated useful life</b> |
|-----------------------|------------------------------|
| Factory Buildings     | 30 years                     |
| Plant and equipment   | 5 to 25 years                |
| Vehicles              | 8 to 10 years                |
| Furniture & Fittings  | 10 years                     |
| Computers             | 3 years                      |

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

**H) Intangible assets:**

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration

services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of intangible assets.

**I) Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

**J) Impairment of assets:**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

**K) Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**L) Trade receivables:**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment.

**M) Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

**N) Inventories:**

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

**O) Investments and other financial assets:****Classification:**

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)
  - ii) Those measured at amortised cost
- The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

**Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

**Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Company for

managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary company

Investments in subsidiary company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of

the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**De-recognition:**

A financial asset is de-recognised only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities:**

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**P) Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**Q) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**R) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**S) Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a

whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

#### **T) Employee benefits:**

##### Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

##### Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

##### **Defined contribution plan:**

Contributions to defined contribution schemes such as

contribution to Provident Fund and Employees' State Insurance Corporation are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

##### **Defined benefit plan:**

##### Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

#### **U) Research and Development expenditure:**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

#### **V) Earnings per share:**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

#### **W) Contributed equity:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **X) Critical estimates and judgements**

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be



materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets
- ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

## Y) Transition to Ind AS

These are the first Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 01, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes:

### Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 01, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

#### a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

##### i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its

property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their IGAAP carrying value in their Financial Statements.

#### ii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

#### iii) Investments in subsidiary company

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary company under IGAAP carrying amount as its deemed cost on the transition date.

#### b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP.

## Z) Others

- i) Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements.
- ii) The Financial Statements were authorised for issue by the Board of Directors on May 22, 2018.

**2 Property, Plant and Equipment**

(₹ in lakhs)

| Particulars   | Land            | Office Building | Factory Shed & Building | Plant & Machinery | Office Equip-ment | Computer     | Furniture & Fixtures | Vehicle       | Tangibles Total  |
|---|-----------------|-----------------|-------------------------|-------------------|-------------------|--------------|----------------------|---------------|------------------|
| <b>Deemed Cost as at 1st April, 2016</b>                    | <b>849.35</b>   | <b>449.19</b>   | <b>981.89</b>           | <b>2,998.05</b>   | <b>36.08</b>      | <b>7.24</b>  | <b>95.07</b>         | <b>94.82</b>  | <b>5,511.69</b>  |
| Additions   | 323.86          | 446.99          | 289.72                  | 2,151.67          | 10.59             | 9.29         | 9.44                 | 48.68         | <b>3,290.24</b>  |
| Deductions  | -               | -               | -                       | -                 | -                 | -            | -                    | -5.44         | <b>-5.44</b>     |
| <b>Gross Carrying amt. as at 31st March, 2017</b>           | <b>1,173.21</b> | <b>896.18</b>   | <b>1,271.60</b>         | <b>5,149.72</b>   | <b>46.67</b>      | <b>16.53</b> | <b>104.51</b>        | <b>138.06</b> | <b>8,796.49</b>  |
| Addition  | -               | 1,998.08        | 142.69                  | 2,399.45          | 4.87              | 1.65         | 14.84                | 113.50        | <b>4,675.09</b>  |
| Deductions  | -               | -               | -                       | -                 | -                 | -            | -                    | -             | -                |
| <b>Gross Carrying amt. as at 31st March, 2018</b>           | <b>1,173.21</b> | <b>2,894.26</b> | <b>1,414.29</b>         | <b>7,549.18</b>   | <b>51.54</b>      | <b>18.18</b> | <b>119.35</b>        | <b>251.56</b> | <b>13,471.58</b> |
| <b>Accumulated Depreciation/Amortisation and impairment</b> |                 |                 |                         |                   |                   |              |                      |               |                  |
| <b>Balance as 31.03.2016</b>                                | -               | -               | -                       | -                 | -                 | -            | -                    | -             | -                |
| Depreciation Expense  | -               | 40.79           | 96.79                   | 461.65            | 15.15             | 6.05         | 27.49                | 39.90         | <b>687.82</b>    |
| Deductions  | -               | -               | -                       | -                 | -                 | -            | -                    | -             | -                |
| <b>Balance as 31.03.2017</b>                                | -               | <b>40.79</b>    | <b>96.79</b>            | <b>461.65</b>     | <b>15.15</b>      | <b>6.05</b>  | <b>27.49</b>         | <b>39.90</b>  | <b>687.82</b>    |
| Depreciation Expense  | -               | 31.69           | 43.27                   | 257.63            | 11.59             | 7.36         | 13.95                | 30.42         | <b>395.91</b>    |
| Deductions  | -               | -               | -                       | -                 | -                 | -            | -                    | -             | -                |
| <b>Balance as 31.03.2018</b>                                | -               | <b>72.48</b>    | <b>140.06</b>           | <b>719.28</b>     | <b>26.74</b>      | <b>13.41</b> | <b>41.44</b>         | <b>70.32</b>  | <b>1,083.73</b>  |
| <b>Net Carrying amount</b>                                  |                 |                 |                         |                   |                   |              |                      |               |                  |
| <b>As at 31.03. 2018</b>                                    | <b>1,173.21</b> | <b>2,821.79</b> | <b>1,274.24</b>         | <b>6,829.90</b>   | <b>24.80</b>      | <b>4.77</b>  | <b>77.91</b>         | <b>181.24</b> | <b>12,392.29</b> |
| <b>As at 31.03. 2017</b>                                    | <b>1,173.21</b> | <b>855.39</b>   | <b>1,174.81</b>         | <b>4,688.07</b>   | <b>31.52</b>      | <b>10.48</b> | <b>77.02</b>         | <b>98.16</b>  | <b>8,113.11</b>  |
| <b>As at 31.03. 2016</b>                                    | <b>849.35</b>   | <b>449.19</b>   | <b>981.89</b>           | <b>2,998.05</b>   | <b>36.08</b>      | <b>7.24</b>  | <b>95.07</b>         | <b>94.82</b>  | <b>5,511.69</b>  |
| Useful life of Assets (Years)                               | NA              | 60              | 30                      | 15-25             | 5                 | 3            | 10                   | 8-10          | -                |
| Method of Depreciation                                      | NA              | SLM             | SLM                     | SLM               | SLM               | SLM          | SLM                  | SLM           | -                |

**Note:**

- The company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of the transition to Ind AS i.e. 1st April, 2016 measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at 1st April, 2016 amounting to ₹5511.69 lakhs of property, plant & equipment represents gross cost of ₹9290.95 net of accumulated depreciation of ₹3779.25 as at 31st March, 2016.
- Property, Plant & equipment have been pledged as security against certain long term borrowings of the company as at 31 March 2018 (Refer Note 15)
- Considering the nature of property, plant and equipment using in the business and operations of the company, it has been analyzed and observed that assets are depreciating in linear and steady rate every year because repair and maintenance costs were almost equal on particular assets in preceding financial years irrespective of its capacity utilization. Since assets are depreciating in linear vertical, therefore method of depreciation on all assets has been changed from written down method to straight line method prospectively w.e.f Financial Year 2017-18.
- The company was having some Property lying as Inventory. In order to fulfill its business requirement the company has decided to use some those Property for business purposes & accordingly during FY 2018 company has re-classified Inventory Property of ₹1049.84 Lakhs as Fixed Assets.
- The Company has capitalised ₹102.95 Lakhs as borrowing cost during the FY 2017-18 (FY 17 ₹299.86, FY 16 ₹115.00)

**3. Capital Work-in-Progress**

(₹ in lakhs)

| Particulars             | Total    |
|-------------------------|----------|
| <b>As at 01.04.2016</b> | 651.19   |
| <b>As at 31.03.2017</b> | 767.34   |
| <b>As at 31.03.2018</b> | 1,740.43 |

**4. Intangibles Assets**

(₹ in lakhs)

| Particulars   | Computer Software | Intangibles Total |
|---|-------------------|-------------------|
| <b>Deemed cost at 1st April, 2016</b>               | <b>4.93</b>       | <b>4.93</b>       |
| Additions   | 11.23             | <b>11.23</b>      |
| Disposals   | -                 | -                 |
| <b>Gross Carrying amount as at 31st March, 2017</b> | <b>16.16</b>      | <b>16.16</b>      |
| Additions   | 0.96              | <b>0.96</b>       |
| Disposals   | -                 | -                 |
| <b>Gross Carrying amount as at 31st March, 2018</b> | <b>17.12</b>      | <b>17.12</b>      |
| <b>Accumulated Depreciation and impairment</b>      |                   |                   |
| <b>Balance as 1st April, 2016</b>                   |                   |                   |
| Amortisation for the year                           | 5.92              | <b>5.92</b>       |
| Amortisation on Disposals                           | -                 | -                 |
| <b>Balance as 1st April, 2017</b>                   | <b>5.92</b>       | <b>5.92</b>       |
| Amortisation for the year                           | 4.16              | <b>4.16</b>       |
| Amortisation on Disposals                           | -                 | -                 |
| <b>Balance as 1st April, 2018</b>                   | <b>10.09</b>      | <b>10.09</b>      |
| <b>Net Carrying Amount</b>                          |                   |                   |
| <b>As at 31.03.2018</b>                             | <b>7.03</b>       | <b>7.03</b>       |
| <b>As at 31.03.2017</b>                             | <b>10.23</b>      | <b>10.23</b>      |
| <b>As at 31.03.2016</b>                             | <b>4.93</b>       | <b>4.93</b>       |
| Useful life of Assets (Years)                       | 5                 | <b>5</b>          |
| Method of Depreciation                              | SLM               | SLM               |

**5 Investments (Non -Current)**

| Particulars                                | Paid Up Value | As at 31.03.2018<br>(Rs in lakhs) | As at 31.03.2017<br>(Rs in lakhs) | As at 31.03.2016<br>(Rs in lakhs) |
|--|---------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>A. Investment in equity instruments</b> |               |                                   |                                   |                                   |
| <b>Unquoted</b>                            |               |                                   |                                   |                                   |
| Investment In SVC Co Op Bank Ltd           | NA            | 0.03                              | 0.03                              |                                   |
| <b>Total</b>                               |               | <b>0.03</b>                       | <b>0.03</b>                       | -                                 |

**6 Loans -Non Curent**

(₹ in lakhs)

| Particulars                            | As at 31.03.2018 | As at 31.03.2017 | At 1st April 2016 |
|--|------------------|------------------|-------------------|
| <b>Unsecured &amp; Considered Good</b> |                  |                  |                   |
| Security deposit                       | 272.03           | 262.14           | 245.29            |
| <b>Total</b>                           | <b>272.03</b>    | <b>262.14</b>    | <b>245.29</b>     |

**7 Other Assets - Non Current**

(₹ in lakhs)

| Particulars                            | As at 31.03.2018 | As at 31.03.2017 | At 1st April 2016 |
|--|------------------|------------------|-------------------|
| <b>Unsecured &amp; Considered Good</b> |                  |                  |                   |
| Capital Advances                       | 530.70           | 450.28           | 265.28            |
| <b>Total</b>                           | <b>530.70</b>    | <b>450.28</b>    | <b>265.28</b>     |

**8 Inventories**

(₹ in lakhs)

| Particulars  | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| <b>Inventories (at lower of cost and net realisable value)</b> |                  |                  |                  |
| Raw materials  | 7,642.77         | 4,746.43         | 3,262.86         |
| Work-in-progress   | 726.98           | 551.83           | 430.05           |
| Semi-finished / finished goods                                 | 6,159.56         | 5,305.88         | 4,896.89         |
| Production consumables and stores and spares                   | 703.27           | 581.62           | 532.45           |
| Immovable Property   | 201.78           | 1,251.62         | 1,049.84         |
| <b>Total</b>   | <b>15,434.36</b> | <b>12,437.38</b> | <b>10,172.09</b> |

**Notes:**

Inventories have been pledged as security against certain bank borrowings of the company (Refer note 19)

**Details of Stock-in-trnasit**

(₹ in lakhs)

| Particulars    | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------|------------------|------------------|------------------|
| Finished Goods | -                | 9.29             | 5.79             |
| <b>Total</b>   | <b>-</b>         | <b>9.29</b>      | <b>5.79</b>      |

**9 Trade Receivables**

(₹ in lakhs)

| Particulars                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Unsecured, considered good | 10,393.00        | 9,586.10         | 6,749.85         |
| <b>Total</b>               | <b>10,393.00</b> | <b>9,586.10</b>  | <b>6,749.85</b>  |

**Notes**

- The credit period on sale of goods ranges from 30 to 60 days without securities. No interest is charged on trade receivables.
- Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.
- The company does not generally hold any collateral or other credit enhancements over the balances.
- Trade receivables have been given as colleteral toward borrowings (refer security note below Note 19)

**10 Cash and cash equivalents**

(₹ in lakhs)

| Particulars                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| <b>Balance with banks:</b> |                  |                  |                  |
| In current accounts        | 37.52            | 66.93            | 187.69           |
| Cash on hand               | 53.15            | 34.89            | 62.07            |
| <b>Total</b>               | <b>90.67</b>     | <b>101.82</b>    | <b>249.76</b>    |

**11 Bank Balance other than cash and cash equivalents**

(₹ in lakhs)

| Particulars   | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Earmarked balances  |                  |                  |                  |
| <b>In current accounts</b>  | 0.54             | 0.46             | -                |
| <b>In margin money</b>  | 1,189.25         | 1,539.81         | 1,021.96         |
| (with maturity more than 3 months but less than 12 months )at inception |                  |                  |                  |
| <b>Total</b>  | <b>1,189.78</b>  | <b>1,540.27</b>  | <b>1,021.96</b>  |

**Notes**

- 11.1** Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks

**12 Other Current Assets (Unsecured)**

(₹ in lakhs)

| Particulars                                    | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Advances to suppliers & others                 | 1,636.85         | 1,812.74         | 2,116.72         |
| Balance with Statutory/ Government authorities | 1,122.92         | 855.93           | 932.12           |
| Prepayment & others                            | 48.45            | 16.45            | 22.94            |
| <b>Total</b>                                   | <b>2,808.22</b>  | <b>2,685.12</b>  | <b>3,071.78</b>  |

**13 Equity share capital**

(₹ in lakhs)

| Particulars   | Number of Share ( Nos in Lakhs ) |                     |                     | Amount (Rs In lakhs) |                     |                     |
|---|----------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
|   | As at<br>31.03.2018              | As at<br>31.03.2017 | As at<br>01.04.2016 | As at<br>31.03.2018  | As at<br>31.03.2017 | As at<br>01.04.2016 |
| <b>Share Capital</b>  |                                  |                     |                     |                      |                     |                     |
| <b>(a) Authorised :</b>   |                                  |                     |                     |                      |                     |                     |
| Equity shares of the par value of ₹10/- each                          | 140.000                          | 110.000             | 110.000             | 1,400.000            | 1,100.000           | 1,100.000           |
| <b>(b) Issued and subscribed: (A)</b>                                 |                                  |                     |                     |                      |                     |                     |
| Outstanding at the beginning of the year                              | 103.011                          | 103.011             | 103.011             | 1,030.110            | 1,030.110           | 1,030.110           |
| <b>(c) Fresh Issue during the year through preferential allotment</b> | 2.000                            | -                   | -                   | 20.000               | -                   | -                   |
| <b>Total (A+B+C)</b>  | <b>105.011</b>                   | <b>103.011</b>      | <b>103.011</b>      | <b>1,050.110</b>     | <b>1,030.110</b>    | <b>1,030.110</b>    |

**a) The Movement of Share Capital in Subscribed and Paid up Share Capital is set out as below**

(₹ in lakhs)

| Particulars   | Number of Share     |                     | Amount (Rs In lakhs) |                     |
|---|---------------------|---------------------|----------------------|---------------------|
|   | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>31.03.2018  | As at<br>31.03.2017 |
| Equity shares of ₹10/- each fully paid up as on 1 April                 | 103.011             | 103.011             | 1,030.110            |                     |
| Add: Fresh Equity Shares Issued on preferential basis during the year** | 2.000               | -                   | 20.000               |                     |
| <b>Equity shares - closing as on 31 March</b>                           | <b>105.011</b>      | <b>103.011</b>      | <b>1,050.110</b>     |                     |

**b) Issue of equity shares having a face value ₹10/- each allotted on Preferential basis at ₹400/- Per equity share to Promoter & Promoter Group**

| Date of Allotment | Number of Share | Share Capital | Security Premium | Total    |
|-------------------|-----------------|---------------|------------------|----------|
| 26th March 2018   | 200000          | 2000000       | 78000000         | 80000000 |

**c) \*\*Rights, preferences and restrictions attached to equity shares**

The Company has single class of equity shares and carry a right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**d) Shareholders holding more than 5% share in the company are set out below:**

(₹ in lakhs)

| Particulars                   | Number of Share  | % of Share | Number of Share  | % of Share | Number of Share  | % of Share |
|-------------------------------|------------------|------------|------------------|------------|------------------|------------|
|                               | As at 31.03.2018 |            | As at 31.03.2017 |            | As at 01.04.2016 |            |
| Ajay Kumar Bansal             | 1,491,900        | 14.21%     | 1,491,990        | 14.48%     | 1,491,900        | 14.48%     |
| Parveen Bansal                | 1,019,000        | 9.70%      | 1,019,200        | 9.89%      | 1,019,200        | 9.89%      |
| Vipul Bansal                  | 817,600          | 7.79%      | 717,600          | 6.97%      | 717,600          | 6.97%      |
| Anish Bansal                  | 737,600          | 7.02%      | 637,600          | 6.19%      | 637,600          | 6.19%      |
| AKS Buildcon Pvt. Ltd.        | 552,000          | 5.26%      | 552,000          | 5.36%      | 552,000          | 5.36%      |
| Shweta Bansal                 | 541,200          | 5.15%      | 541,200          | 5.25%      | 541,200          | 5.25%      |
| Ajay Kumar & Sons (HUF)       | 520,800          | 4.96%      | 520,800          | 5.06%      | 520,800          | 5.06%      |
| Hi- Tech Agrovision Pvt. Ltd. | 516,000          | 4.91%      | 516,000          | 5.01%      | 516,000          | 5.01%      |

**e) For the period of five years immediately preceding the date of Balance Sheet,**

Aggregate number & class of shares allotted by the company as fully paid up pursuant to contracts without receipt of cash: NIL

Aggregate number & class of shares bought back by the company : NIL

Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares

| Particulars   | 2015-16   | 2013-14   | Total     |
|---|-----------|-----------|-----------|
| Fully paid up Equity shares by way of Bonus Shares (Face Value of ₹10/- each) | 3,785,550 | 2,340,000 | 6,125,550 |



**f) Dividends**

The Board of Directors, in its meeting on May 22, 2018 has recommended a final dividend of ₹0.25 per equity share for the financial year ended March 31, 2018. This proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹32.15 Lakhs including Dividend Distribution Tax. This figure may change to the extent of conversion of fully convertible warrants into equity shares on or before book closure date for the purpose of dividend.

**14 Other Equity**

(₹ in lakhs)

| Particulars                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| General reserve            | 3,045.60         | 2,945.60         | 2,845.60         |
| Share Warrants             | 800.00           | -                | -                |
| Retained earnings          | 3,995.28         | 2,025.60         | 1,132.25         |
| Other reserves:            | -                | -                | -                |
| Securities premium account | 2,466.37         | 1,686.37         | 1,686.37         |
| <b>Total</b>               | <b>10,307.25</b> | <b>6,657.57</b>  | <b>5,664.22</b>  |

**(i) Securities premium account**

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

**(ii) General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

**(iii) Share Warrant (Fully Convertible in Equity Shares)**

The company has issued and allotted 8,00,000 fully convertible warrants to promoter, promoter group and non-promoters on preferential basis @ ₹400/- each on subscription amount of ₹100/- each (being 25% application money), which are convertible into equal number of equity shares, which carries pari - passu rank with existing equity shares within one or more tranches of payment. The holder of convertible warrants shall convert his holding of convertible warrants within 18 month from the date of allotment of such convertible warrants.

| Date of allotment | Number of Warrants issued | Issue Price per Warrant | Total Amount on Warrant | Amount Received per warrant | Total Amount Received | Balance amount on each warrant | Total Balance Amount to be Received |
|-------------------|---------------------------|-------------------------|-------------------------|-----------------------------|-----------------------|--------------------------------|-------------------------------------|
| March 26, 2018    | 150,000                   | 400                     | 60,000,000              | 100                         | 15,000,000            | 300                            | 45,000,000                          |
| March 27, 2018    | 150,000                   | 400                     | 60,000,000              | 100                         | 15,000,000            | 300                            | 45,000,000                          |
| March 28, 2018    | 500,000                   | 400                     | 200,000,000             | 100                         | 50,000,000            | 300                            | 150,000,000                         |
| <b>Total</b>      | <b>800,000</b>            |                         | <b>320,000,000</b>      |                             | <b>80,000,000</b>     |                                | <b>240,000,000</b>                  |

**Note:**

Fully convertible warrant are convertible in equity share only after the payment of balance receivable on such fully convertible warrants.

**15 Borrowings (Non Current)**

(₹ in lakhs)

| Particulars                                      | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Term Loans:                                      |                  |                  |                  |
| From Bank  | 4,414.89         | 3,461.54         | 2,460.12         |
| From Others                                      | 504.35           | 30.00            | 35.68            |
| Vehicle Loans                                    | 83.27            | 26.37            | 4.61             |
| <b>Total (A)</b>                                 | <b>5,002.51</b>  | <b>3,517.91</b>  | <b>2,500.41</b>  |
| Unsecured  |                  |                  |                  |
| From Directors                                   | 1,783.16         | 1,111.17         | 235.44           |
| Intercompany Borrowings:                         |                  |                  |                  |
| Loan from Related Parties                        | 72.38            | 71.32            | 12.54            |
| Loan from Body Corporate                         | 203.06           | 201.86           | 462.15           |
| <b>Total (B)</b>                                 | <b>2,058.60</b>  | <b>1,384.35</b>  | <b>710.13</b>    |
| Unamortised upfront fee on Secured Borrowing (C) | -17.53           | -6.17            | -                |
| <b>Total (A) + (B) + (C)</b>                     | <b>7,043.58</b>  | <b>4,896.09</b>  | <b>3,210.54</b>  |

(₹ in lakhs)

| As at 31.03.2018                    |         | As at 31.03.2017 |         | As at 01.04.2016 |         | Terms of Repayment   | Security  |
|-------------------------------------|---------|------------------|---------|------------------|---------|--|---|
| Non-Current                         | Current | Non-Current      | Current | Non-Current      | Current |  |   |
| A. Term Loans (Secured)             |         |                  |         |                  |         |  |   |
| Rupee Term loan from Bank (Secured) |         |                  |         |                  |         |  |   |
| -                                   | -       | -                | -       | -                | 2.62    | Repayable in monthly instalments of ₹4.22 lakhs (including Interest). Last Instalment due on Apr 2016                                      | 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 personnel guarantee of promoter directors |
| -                                   | 43.57   | 56.24            | 84.24   | 144.12           | 84.24   | Repayable in monthly instalments of ₹7.02 lakhs last instalment due in Oct 2018  |   |
| 40.76                               | 10.00   | -                | -       | -                | -       | Repayable in equated monthly instalments along with interest of ₹1.21 lakhs last instalment due in June 2022                               | Equitable mortgage on Property situated at A-811, Tower Mondeal Heinghts, Ahemedabad, Gujrat.   |
| 750.00                              | 250.00  | -                | -       | -                | -       | Repayable in Quarterly instalments of ₹50 lakhs last instalment due in March 2023  | Exclusive Charge on Plant and Machinery being financed for plant situated at Plot No. 10 and 16 Sikandrabad.  |
| 667.80                              | 100.00  | 767.80           | 100.00  | 875.00           | 100.00  | Repayable in Monthly Instalments of ₹8.33 lakhs (including interest) Last Instalment due on March 2027                                     | Exclusive Charge on Immovable Property commercial land and building situated 130, Sector-44, Gurgaon, Haryana and personel guarantee of promoters directors   |
| -                                   | -       | -                | 170.00  | 170.00           | 264.00  | Repayble in Monthly Instalments of ₹22.00 lakhs (including interest) Last Instalment due on Jan 2018                                       |   |
| -                                   | -       | -                | 119.35  | -                | -       | Repayble in Monthly Instalments of ₹16.13 lakhs and Last Instalment due on December 2017   |   |
| 366.95                              | 50.00   | 429.17           | 50.00   | -                | -       | Repayable in Monthly Instalments of ₹4.15 lakhs and Last Instalment due on October 2026  |   |
| -                                   | -       | -                | 202.13  | -                | -       | Repayable in Monthly Instalments of ₹22.25 lakhs and Last Instalment due on December 2017  |   |
| 81.13                               | 54.07   | 136.36           | 54.07   | 190.18           | 54.07   | Repayable in equated Monthly Instalments and Last Instalment due on Feb 2020*  | Equitable mortgage on Property situated at 3/4 Jaypee Greens, Noida, Gautam Budha nagar, Uttar Pradesh  |
| 2.10                                | 1.63    | 3.91             | 1.63    | 5.55             | 1.63    |  |   |
| 67.97                               | 7.27    | 76.01            | 7.27    | 83.27            | 7.27    |  |   |
| 720.00                              | 136.00  | 856.00           | 136.00  | 992.00           | 128.00  | Repayable in unequal quarterly instalments of ₹32 lakhs to ₹56 lakhs commencing from August 2016 and last instalment due in November 2022. | Exclusive Charge on Fixed Assets of Sanand, Gujarat Unit, second charge on entire current assets (both present and future) at Sanand, Gujarat Unit.   |
| 165.00                              | 60.00   | 225.00           | 60.00   | -                | -       | Repayable in equal quartely installments of ₹15 lakhs commencing from February 2017 and last installment due in November 2021.             |   |
| 82.72                               | 27.57   | -                | -       | -                | -       | Repayable in equal quartely installments of ₹501340.90 commencing from June 2018 and last installment due in June 2023.                    |   |
| 100.19                              | 33.40   | -                | -       | -                | -       | Repayable in equal quartely installments of ₹607227.27 commencing from June 2018 and last installment due in June 2023.                    |   |

(₹ in lakhs)

| As at 31.03.2018                                     |          | As at 31.03.2017 |          | As at 01.04.2016 |         | Terms of Repayment   | Security  |
|--|----------|------------------|----------|------------------|---------|--|---|
| Non-Current  | Current  | Non-Current      | Current  | Non-Current      | Current |  |   |
| 142.39   | 47.46    | -                | -        | -                | -       | Repayable in equal quarterly installments of ₹862977.27 commencing from June 2018 and last installment due in June 2023. |   |
| 43.21  | 14.40    | -                | -        | -                | -       | Repayable in equal quarterly installments of ₹261886.36 commencing from June 2018 and last installment due in June 2023. |   |
| 59.01  | 6.56     | -                | -        | -                | -       | All loans have 36 monthly installments commencing from various dates and ending on various dates.                        | Equitable mortgage on respective Vehicles   |
| 12.93  | 1.44     | -                | -        | -                | -       |  |   |
| 4.79   | 1.26     | 8.62             | 1.26     | -                | -       |  |   |
| 6.54   | 1.24     | 13.15            | 1.24     | -                | -       |  |   |
| -  | 0.86     | 2.24             | -        | 2.24             | 1.26    |  |   |
| -  | 0.99     | 2.37             | -        | 2.37             | 1.24    |  |   |
| 987.05   | 207.10   | 727.76           | 22.24    | -                | -       | Repayable in 60 Montly Installment of Rs 26.44 Lakh  | Hypothecation of Plant & Machinery and other movable assets (present & future) located at plot No 41 B , 1 & 2 gollapuram Village Anantpur District, Andhra Pradesh . |
| 197.62   | 42.24    | 183.28           | 66.72    | -                | -       | Repayable in 60 Montly Installment of Rs 5.36 Lakh   | Equitable Mortgage of Land and building located at Plot Survey no Plot No 41 B , 1 & 2 Gollapuram village, Anantpur District Andhra Pradesh                           |
| 4,498.17   | 1,097.06 | 3,487.91         | 1,076.15 | 2,464.74         | 644.33  |  |   |
| Rupee Term loan from Financial Institution (Secured) |          |                  |          |                  |         |  |   |
| 24.39  | 5.14     | 30.00            | 5.14     | 35.68            | 5.14    | Repayable in Monthly Instalments of ₹0.81 lakhs (including interest) Last Instalment due on Nov 2021                     | Equitable mortgage on Property situated at 1F - CS - 42 & 43 First Floor, Ansal Plaza, Vaishali, Ghaziabad, Uttar Pradesh.  |
| 356.72   | 89.18    | -                | -        | -                | -       | Repayable in equated monthly instalments along with interest of ₹11.52 lakhs last instalment due in Feb 2022             | Equitable Charge on Plant and Machinery being financed for plant situated at Plot No. 10 and 16 Sikandrabad.  |
| 123.24   | 30.81    | -                | -        | -                | -       | Repayable in equated monthly instalments along with interest of ₹3.92 lakhs last instalment due in Apr 2022              |   |
| 504.35   | 125.13   | 30.00            | 5.14     | 35.68            | 5.14    |  |   |
| Total Term Loan-Secured                              |          |                  |          |                  |         |  |   |
| 5,002.51   | 1,222.18 | 3,517.91         | 1,081.29 | 2,500.41         | 649.47  |  | <b>Total</b>  |

**16 Other Financial Liabilities Non-Current**

(₹ in lakhs)

| Particulars                           | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---------------------------------------|------------------|------------------|------------------|
| Security Deposits from Agents/Dealers |                  |                  |                  |
| Strategic Dealers                     | 588.61           | 930.00           | 850.00           |
| Other Deposits                        | 48.90            | 91.64            | 103.79           |
| <b>Total</b>                          | <b>637.51</b>    | <b>1,021.64</b>  | <b>953.79</b>    |

**17 Provisions (Non-Current)**

(₹ in lakhs)

| Particulars                             | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Provision for Leave encashment          | 1.95             | 2.23             | 56.98            |
| Provision for Gratuity (refer note-33 ) | 53.93            | 57.67            | 6.34             |
| <b>Total</b>                            | <b>55.87</b>     | <b>59.91</b>     | <b>63.32</b>     |

**18 Income Taxes | Deferred Tax Liabilities (net)**

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2016-17 is 21.34%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

**(a) Income tax expense / (benefits)**

(₹ in lakhs)

| Particulars                                       | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|---|----------------------------------|----------------------------------|
| <b>Current tax :</b>                              |                                  |                                  |
| Current tax (MAT)                                 | 632.56                           | 376.99                           |
| Tax refund / reversal pertaining to earlier years | 1.17                             | -                                |
|   | <b>633.73</b>                    | <b>376.99</b>                    |
| <b>Deferred tax :</b>                             |                                  |                                  |
| Deferred tax                                      | 471.12                           | 104.31                           |
| MAT credit entitlement                            | -203.18                          | -30.21                           |
| (Restoration)/reversal of MAT credit entitlement  | -                                | -                                |
| Tax provision/(reversal) for earlier years        | -                                | -                                |
| <b>Total deferred tax</b>                         | <b>267.95</b>                    | <b>74.10</b>                     |
| <b>Total Tax expense / (benefit)</b>              | <b>901.67</b>                    | <b>451.09</b>                    |

**A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:**

(₹ in lakhs)

| Particulars  | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|--|----------------------------------|----------------------------------|
| Profit/loss before tax   | 3,002.49                         | 1,489.24                         |
| Enacted tax rate in India ( Weighted Average)                        | 31.848%                          | 33.782%                          |
| <b>Expected income tax expense / (benefit) at statutory tax rate</b> | <b>956.24</b>                    | <b>503.09</b>                    |
| Depreciation under Income Tax Act                                    | -602.03                          | -379.05                          |
| Loss Carried forward from PY   | -39.76                           |                                  |
| Expenses not deductible in determining taxable profits               | 144.09                           | 220.93                           |
| Deductions allowed under tax Laws                                    | -46.00                           | -132.03                          |
| Others   | 16.84                            | 0.26                             |
| Tax expense for the Current year                                     | 429.38                           | 213.20                           |
| MAT on PBT @ 21.34%  | <b>632.56</b>                    | <b>376.99</b>                    |
| Tax expense pertaining to current year                               | 632.56                           | 376.99                           |
| <b>Effective income tax rate</b>                                     | <b>21.07%</b>                    | <b>26.02%</b>                    |

**Deferred tax assets / (liabilities)**

Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

(₹ in lakhs)

| Particulars  | As at 31.03.2018 | As at 31.03.2017                        | As at 01.04.2016 |
|--|------------------|---|------------------|
| Deferred tax liabilities (net)                                   | (880.29)         | (405.63)                                | (304.85)         |
| Less: MAT Credit Entitlement                                     | 236.91           | 30.21                                   | -                |
| <b>Total</b>   | <b>(643.38)</b>  | <b>(375.42)</b>                         | <b>(304.85)</b>  |
| Deferred tax balance in relation to                              | As at 31.03.2017 | Recognised /<br>reversed through<br>P/L | As at 31.03.2018 |
| Property, plant and equipment                                    | (406.07)         | (495.41)                                | (901.48)         |
| Provisions for employee benefit / loans, advances and guarantees | 0.44             | 20.75                                   | 21.19            |
| <b>Total</b>   | <b>(405.63)</b>  |   | <b>(880.29)</b>  |

| Deferred tax balance in relation to                              | As at 31.03.2016 | Recognised / reversed through P/L | As at 31.03.2017 |
|--|------------------|-----------------------------------|------------------|
| Property, plant and equipment                                    | (304.85)         | (101.22)                          | (406.07)         |
| Provisions for employee benefit / loans, advances and guarantees | -                |                                   | 0.44             |
| <b>Total</b>   | <b>(304.85)</b>  |                                   | <b>(405.63)</b>  |

**Movement in MAT credit entitlement:**

| Particulars   | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|-------------------------------|-------------------------------|
| Balance at the beginning of year                    | 30.21                         | -                             |
| Add: MAT credit entitlement availed during the year | 203.18                        | 30.21                         |
| Add : Misc Adj                                      | 3.53                          | -                             |
| Less: MAT Credit availed during the year            | -                             | -                             |
| <b>Balance at the end of year</b>                   | <b>236.91</b>                 | <b>30.21</b>                  |

The Company expects to utilize the MAT credit within a period of 15 years

**19 Borrowings (current)**

(₹ in lakhs)

| Particulars                                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Working capital loans from banks (secured) |                  |                  |                  |
| From Banks                                 | 17,213.63        | 11,976.66        | 10,336.80        |
| <b>Total</b>                               | <b>17,213.63</b> | <b>11,976.66</b> | <b>10,336.80</b> |

**Working capital loan are secured by :-**

Working capital facilities availed are secured by first pari passu charge on entire current assets of the company and second pari passu on moveable fixed assets of the company. These credit facilities are further secured by personal guarantee of promoter-directors of the company.

**20 Trade Payables**

(₹ in lakhs)

| Particulars             | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------|------------------|------------------|------------------|
| Raw Material            | 4,059.11         | 5,167.35         | 3,490.12         |
| Other than Raw Material | 485.37           | 585.43           | 254.48           |
| <b>Total</b>            | <b>4,544.48</b>  | <b>5,752.78</b>  | <b>3,744.61</b>  |

Credit Terms of these Trade Payable varies from 0-90 days.

**21 Other financial liabilities**

(₹ in lakhs)

| Particulars                                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Current maturities of long-term borrowing  | 1,222.18         | 1,081.29         | 649.47           |
| Interest accrued but not due on borrowings | 86.42            | 34.46            | 11.84            |
| <b>Total</b>                               | <b>1,308.60</b>  | <b>1,115.75</b>  | <b>661.31</b>    |

**22 Other current liabilities**

(₹ in lakhs)

| Particulars                   | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------------|------------------|------------------|------------------|
| Advances from customers       | 229.15           | 680.05           | 615.09           |
| Statutory liabilities         | 44.45            | 259.37           | 117.01           |
| Unclaimed dividends           | 0.54             | 0.46             | -                |
| Creditors for fixed assets    | 1,058.18         | 733.86           | 176.50           |
| Other Outstanding Liabilities | 263.75           | 599.75           | 422.64           |
| <b>Total</b>                  | <b>1,596.07</b>  | <b>2,273.49</b>  | <b>1,331.24</b>  |



**23 Provisions (Current)**

(₹ in lakhs)

| Particulars                                   | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Provision for Leave encashment                | 0.70             | 0.35             | 0.43             |
| Provision for Corporate Social Responsibility | 30.99            | 25.42            | 10.99            |
| Provision for employee benefits               | 18.35            | -                | -                |
| Bonus payable                                 | 23.80            | 4.86             | -                |
| Excise Duty on Uncleared Goods                | -                | 500.56           | 498.64           |
| Other Provisions                              | 35.78            | 40.90            |                  |
| Provision for Gratuity                        | 14.95            | 6.80             | 5.62             |
| <b>Total</b>                                  | <b>124.57</b>    | <b>578.88</b>    | <b>515.68</b>    |

**24 Revenue from operations**

(₹ in Lakhs)

| Particulars              | As at 31.03.2018  | As at 31.03.2017 |
|--------------------------|-------------------|------------------|
| Sale of products:        |                   |                  |
| Domestic turnover        | 103,786.98        | 71,293.53        |
| Export turnover          | 84.36             | 43.44            |
|                          | <b>103,871.34</b> | <b>71,336.97</b> |
| Other operating revenues |                   |                  |
| Rent                     | 153.34            | 130.47           |
| Job Work                 | -                 | 64.25            |
|                          | <b>153.34</b>     | <b>194.72</b>    |
| <b>Total</b>             | <b>104,024.68</b> | <b>71,531.69</b> |

**25 Other Income**

(₹ in Lakhs)

| Particulars                                | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| Interest Income earned on financial assets |                  |                  |
| Bank deposits                              | 125.57           | 86.87            |
| Other Interest income                      | 5.44             | 105.24           |
| Profit on Sale of Assets                   | -                | 46.67            |
| <b>Total</b>                               | <b>131.01</b>    | <b>238.78</b>    |

**26.1 Cost of Materials Consumed**

(₹ in Lakhs)

| Particulars                      | As at 31.03.2018 | As at 31.03.2017 |
|----------------------------------|------------------|------------------|
| Indigenous Raw Material & Stores | 89,029.75        | 53,780.30        |
| <b>Total</b>                     | <b>89,029.75</b> | <b>53,780.30</b> |

**26.2 Changes in inventories of finished goods, work-in-progress and stock in trade**

| Particulars                                  | As at 31.03.2018  | As at 31.03.2017 |
|--|-------------------|------------------|
| <b>Opening Stock :</b>                       |                   |                  |
| Semi finished /finished goods                | 5,258.76          | 4,891.10         |
| Rejection & Scraps                           | 444.60            | 390.17           |
| Work-in-progress                             | 551.83            | 430.05           |
|  | <b>6,255.19</b>   | <b>5,711.32</b>  |
| <b>Closing stock :</b>                       |                   |                  |
| Semi finished /finished goods                | 6,119.17          | 5,294.41         |
| Rejection & Scraps                           | 521.18            | 444.60           |
| Work-in-progress                             | 726.98            | 551.83           |
|  | <b>7,367.33</b>   | <b>6,290.84</b>  |
|  | <b>(1,112.14)</b> | <b>(579.52)</b>  |
| Excise duty on stock of finished goods (net) | (464.91)          | 1.92             |
| <b>Total</b>                                 | <b>(1,577.04)</b> | <b>(577.60)</b>  |

**27 Employee benefits expense**

(₹ in Lakhs)

| Particulars   | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| Salaries and wages  | 1,129.95         | 998.99           |
| Contribution to provident and other funds (refer note 33) | 43.99            | 28.24            |
| Provisions for Employees Benefits                         | 6.66             | 3.70             |
| Staff welfare expenses                                    | 31.33            | 27.36            |
| <b>Total</b>  | <b>1,211.93</b>  | <b>1,058.29</b>  |

**28 Finance costs**

(₹ in Lakhs)

| Particulars                     | As at 31.03.2018 | As at 31.03.2017 |
|---------------------------------|------------------|------------------|
| Interest expenses on borrowings | 2,411.28         | 1,779.76         |
| Other borrowing costs           | 331.55           | 264.81           |
| <b>Total</b>                    | <b>2,742.83</b>  | <b>2,044.57</b>  |

**29 Depreciation and amortization**

(₹ in Lakhs)

| Particulars       | As at 31.03.2018 | As at 31.03.2017 |
|-------------------|------------------|------------------|
| Tangible assets   | 395.91           | 687.81           |
| Intangible assets | 4.16             | 5.92             |
| <b>Total</b>      | <b>400.07</b>    | <b>693.73</b>    |

**30 Other expenses**

(₹ in Lakhs)

| Particulars                                | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| Power and fuel                             | 1,493.80         | 1,197.49         |
| Rent                                       | 33.06            | 16.54            |
| Repairs and maintenance                    |                  |                  |
| Plant and equipment                        | 37.60            | 13.15            |
| Buildings                                  | 12.12            | 14.63            |
| Others                                     | 33.38            | 8.83             |
| Sales Promotion                            | 106.82           | 67.48            |
| Fee & Subscription                         | 27.05            | 19.27            |
| Insurance                                  | 23.14            | 14.39            |
| Carriage and freight                       | 718.51           | 406.26           |
| Job work and processing charges            | 19.94            | 51.66            |
| Commission on sales                        | 40.80            | 161.72           |
| Travelling and Conveyance                  | 149.06           | 94.61            |
| Legal or Professional Consultation Charges | 65.11            | 54.88            |
| Vehicle Running and Maintenance            | 39.48            | 36.85            |
| Security Services                          | 50.73            | 44.94            |
| Miscellaneous expenses                     | 158.09           | 225.86           |
| <b>Total</b>                               | <b>3,008.69</b>  | <b>2,428.56</b>  |

Provision for CSR for FY 18 was ₹14.57 Lakhs (Previous year ₹14.43 Lakhs) is included in Legal & Professional expenses

Note : Auditors remuneration (excluding service tax | GST) included in legal and professional expenses :

(₹ in Lakhs)

| Particulars                             | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| As Audit fees(including limited review) | 12.30            | 1.95             |
| For Tax audit fees                      | 2.00             | 0.29             |
| <b>Total</b>                            | <b>14.30</b>     | <b>2.24</b>      |

**31 Earnings per share (EPS)**

(₹ in Lakhs)

| Particulars  | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| Profit/(Loss) attributable to Equity shareholders (₹ in crores) (A)              | 2,100.82         | 1,038.15         |
| Weighted average number of Equity shares for basic EPS (B)                       | 103.04           | 103.01           |
| Effect of Dilution :   |                  |                  |
| Equity share outstanding as on March 31, 2018                                    | 105.01           | 103.01           |
| Weighted average number of Treasury shares held through Convertible Warrant      | 8.00             | -                |
| Weighted average number of Equity shares adjusted for the effect of dilution (C) | 113.01           | 103.01           |
| Basic EPS (Amount in ₹) (A/B)  | 20.39            | 10.08            |
| Diluted EPS (Amount in ₹) (A/C)  | 18.59            | 10.08            |
| Face value per Share   | ₹10/-            | ₹10/-            |

**32 Segment reporting**

In accordance with the provisions of Ind AS 108 -Operating Segment, the operations of the company falls under manufacturing of Steel Tubes & Pipes and which is also considered to be the reportable segment by management.

**33 Employee Benefits**

- a) Defined Contribution Plans, Contribution to Defined Contribution Plans, recognized as an Expenses for the year is as under:

| Particulars   | For the Year Ended<br>31-03-2018 | For the Year Ended<br>31-03-2017 |
|---|----------------------------------|----------------------------------|
| Employers' Contribution to Provident Fund (includes pension Fund) | 24,82,549                        | 18,27,758                        |
| Employer's Contribution to Employee State Insurance               | 19,03,716                        | 9,07,996                         |

- b) **Defined Benefit Plans**

The Company has funded the Gratuity Liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to maximum of ₹20 Lakhs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 year.

The Plan in India is actually expose the Company to actuarial risk such as: Investment Risk, Interest Rate Risk, Longevity Risk and Salary Risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields, if the return on plan asset is below this rate, it will create a plan deficit.

**Interest Risk:** A decrease in bond interest rate will increase the plan Liability; however this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity Risk:** The present value of the defined benefit liability is calculated by the reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such the increase in the salary of plant participant will increase the plan liability.

There are no other post retirement benefit provided to employees

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2018 by Mr. Saket Singhal (Fellow- Institute of Actuaries of India). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**Summary of Financial Results****Executive Summary**

| Amount Recognized in Statement of Financial Position at Period - End                          | 31/03/2017       | 31/03/2018       |
|---|------------------|------------------|
| Present value of Defined Benefit Obligation   | 64,47,960        | 69,21,488        |
| Fair value of Plan Assets   | --               | --               |
|   | <b>64,47,960</b> | <b>69,21,488</b> |
| Unrecognized Asset due to the Asset Ceiling   | --               | --               |
| <b>Net Defined Benefit (Assets) / Liability Recognized in Statement of Financial Position</b> | <b>64,47,960</b> | <b>69,21,488</b> |

| 1. | Change in Defined Benefit Obligation            | 31/03/2017  | 31/03/2018       |
|----|---|-------------|------------------|
| a) | Defined Benefit obligation, beginning of period | 62,60,126   | 64,47,960        |
| b) | Interest Cost on DBO                            | 4,66,379    | 5,06,811         |
| c) | Net Current Service Cost                        | 17,62,814   | 17,38,227        |
| d) | Actual Plan Participants' Contributions         | --          | --               |
| e) | Benefits Paid                                   | (3,03,000)  | (4,01,404)       |
| f) | Past Service Cost                               | --          | --               |
| g) | Changes in Foreign Currency Exchange Rates      | --          | --               |
| h) | Acquisition /Business Combination / Divestiture | --          | --               |
| i) | Losses / (Gains) on Curtailments / Settlements  | --          | --               |
| j) | Actuarial (Gain)/Loss on obligation             | (17,38,351) | (13,70,114)      |
| k) | Defined Benefit Obligation, End of Period       | 64,47,968   | <b>69,21,480</b> |

| 2. | Change in Fair Value of Plan assets               | 31/03/2017 | 31/03/2018 |
|----|---|------------|------------|
| a) | Fair value of plan assets at the beginning        | --         | --         |
| b) | Expected return on plan assets                    | --         | --         |
| c) | Employer contribution                             | --         | --         |
| d) | Actual Plan Participants' Contributions           | --         | --         |
| e) | Actual Taxes Paid                                 | --         | --         |
| f) | Actual Administration Expenses Paid               | --         | --         |
| g) | Changes in Foreign Currency Exchange Rates        | --         | --         |
| h) | Benefits paid                                     | --         | --         |
| i) | Acquisition /Business Combination / Divestiture   | --         | --         |
| j) | Assets Extinguished on Curtailments / Settlements | --         | --         |
| k) | Actuarial (Gain)/Loss on Asset                    | --         | --         |
| l) | Fair value of plan assets at the end.             | --         | --         |

| 3. | Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End | 31/03/2017 | 31/03/2018       |
|----|--|------------|------------------|
| a) | Service Cost   | 17,62,814  | 17,38,227        |
| b) | Net Interest Cost  | 4,66,379   | 5,06,811         |
| c) | Past Service Cost  | --         | --               |
| d) | Administration Expenses  | --         | --               |
| e) | (Gain)/Loss due to settlements / Curtailments / Terminations / Divestitures            | --         | --               |
| f) | Total Defined Benefit Cost/(Income) included in Profit & Loss                          | 22,29,193  | <b>22,45,038</b> |

| 4. | Analysis of Amount Recognized in Other Comprehensive (Income)/Loss at Period - End | 31/03/2017  | 31/03/2018  |
|----|--|-------------|-------------|
| a) | Amount recognized in OCI, (Gain) / Loss Beginning of Period                        | --          | (17,38,351) |
| b) | Remeasurements Due to :  |             |             |
|    | 1.Effect of Change in Financial Assumptions  | (3,36,978)  | (2,83,990)  |
|    | 2.Effect of Change in Demographic Assumptions                                      | 4,499       | --          |
|    | 3.Effect of Experience Adjustments   | (14,05,872) | (10,86,124) |
|    | 4.(Gain)/Loss on Curtailments/Settlements  | --          | --          |
|    | 5.Return on Plan Assets (Excluding Interest)                                       | --          | --          |
|    | 6. Changes in Asset Ceiling  | --          | --          |
| c) | Total Remeasurements Recognised in OCI (Gain)/Loss                                 | (17,38,351) | (13,70,114) |
| d) | Amount Recognized in OCI (Gain)/Loss, End of Period                                | (17,38,351) | (31,08,465) |

| 5. | Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income | 31/03/2017  | 31/03/2018  |
|----|--|-------------|-------------|
| a) | Amount recognized in P&L, End of Period  | 22,29,193   | 22,45,038   |
| b) | Amount recognized in OCI, End of Period  | (17,38,351) | (13,70,114) |
| c) | Total Net Defined Benefit Cost/(Income) Recognized at Period-End                             | 4,90,842    | 8,74,924    |

| 6. | Reconciliation of Balance Sheet Amount               | 31/03/2017  | 31/03/2018  |
|----|--|-------------|-------------|
| a) | Balance Sheet (Asset)/Liability, Beginning of Period | 63,80,884   | 64,47,968   |
| b) | True-up  | --          | --          |
| c) | Total Charge/(Credit) Recognised in Profit and Loss  | 21,08,435   | 22,45,038   |
| d) | Total Remeasurements Recognised in OC (Income)/Loss  | (17,38,351) | (13,70,114) |
| e) | Acquisition /Business Combination / Divestiture      | --          | --          |
| f) | Employer Contribution                                | --          | --          |
| g) | Benefits Paid  | (3,03,000)  | (4,01,404)  |
| h) | Other Events   | --          | --          |
| i) | Balance Sheet (Asset)/Liability, End of Period       | 64,47,968   | 68,87,644   |

| 7. | Actual Return on Plan Assets   | 31/03/2017 | 31/03/2018 |
|----|--------------------------------|------------|------------|
| a) | Expected return on plan assets | --         | --         |
| b) | Remeasurement on Plan Assets   | --         | --         |
| c) | Actual Return on Plan Assets   | --         | --         |

| 8. | Change in the Unrecognised Asset due to the Asset Ceiling During the Period | 31/03/2017 | 31/03/2018 |
|----|---|------------|------------|
| a) | Unrecognised Asset, Beginning of Period                                     | --         | --         |
| b) | Interest on Unrecognised Asset Recognised in P&L                            | --         | --         |
| c) | Other changes in Unrecognised Asset due to the Asset Ceiling                | --         | --         |
| d) | Unrecognized Asset, End of Period   | --         | --         |

| 9. | The Major Categories of Plan Assets                          | 31/03/2017 | 31/03/2018 |
|----|--|------------|------------|
| a) | Government of India Securities (Central and State)           | --         | --         |
| b) | High Quality Corporate Bonds (Including Public Sector Bonds) | --         | --         |
| c) | Equity Shares of listed companies                            | --         | --         |
| d) | Cash (Including Bank Balance, Special Deposit Scheme)        | --         | --         |
| e) | Funds Managed by Insurer                                     | --         | --         |
| f) | Others   | --         | --         |
|    | Total  | --         | --         |

| 10. | Current / Non Current Bifurcation | 31/03/2017 | 31/03/2018 |
|-----|-----------------------------------|------------|------------|
| a)  | Current liability                 | 6,80,478   | 14,94,976  |
| b)  | Non-Current liability             | 57,67,490  | 53,92,668  |
| c)  | Net Liability                     | 64,47,968  | 68,87,644  |

| 11. | Defined Benefit Obligation by Participant Status | 31/03/2018 |
|-----|--|------------|
| a)  | A. Actives                                       | 69,21,488  |
| b)  | B. Vested Deferreds                              | --         |
| c)  | C. Retirees                                      | --         |
| d)  | Total Defined Benefit Obligation                 | 69,21,488  |

| 12. | Sensitivity Analysis  |            |
|-----|---|------------|
| a)  | Defined Benefit Obligation – Discount Rate +100 Basis Points          | (6,10,845) |
| b)  | Defined Benefit Obligation – Discount Rate -100 Basis Points          | 7,32,435   |
| c)  | Defined Benefit Obligation – Salary Escalation Rate +100 Basis Points | 7,50,422   |
| d)  | Defined Benefit Obligation – Salary Escalation Rate -100 Basis Points | (6,34,297) |

#### 6. Actuarial Valuation Assumptions Used for Valuation

| Financial Assumptions Used to Determine the Profit & Loss Charge | 31/03/2017 | 31/03/2018 |
|--|------------|------------|
| a) Discounting Rate  | 7.45 P.A.  | 7.86 P.A.  |
| b) Salary Escalation Rate  | 4.50 P.A.  | 4.50 P.A.  |
| c) Expected Rate of Return on Assets                             | 0.00 P.A.  | 0.00 P.A.  |



| Demographic Assumptions Used to Determine the Defined Benefit | 31/03/2017         | 31/03/2018 |
|---|--------------------|------------|
| a) Retirement Age   | 60 Years           | 60 Years   |
| b) Mortality Table  | IALM [2006 – 2008] |            |
| c) Employee Turnover / Attrition Rate                         |                    |            |
| 18 to 30 Years  | 2.00 %             | 2.00 %     |
| 30 to 45 Years  | 2.00 %             | 2.00 %     |
| Above 45 Years  | 1.00 %             | 1.00 %     |

### 34 Financial instruments

#### A) Capital Risk Management

The company's capital requirements are mainly to fund its expansion, working capital and strategic acquisition. The principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowings from bank and the funds from capital market. The company is not subject to any externally imposed capital requirements.

The company regularly consider other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The company monitors its capital gearing ratio, which net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other cash and cash equivalents.

| Particulars  | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2016 |
|--|------------------|------------------|------------------|
| Long term borrowings                                     | 7,044            | 4,896            | 3,211            |
| Current maturities of long term debts                    | 1,222            | 1,081            | 649              |
| short term borrowings                                    | 17,214           | 11,977           | 10,337           |
| Less: Cash and Cash equivalents                          | 91               | 102              | 250              |
| Less: Bank balances other than cash and cash equivalents | 1,190            | 1,540            | 1,022            |
| Net Debt   | 24,199           | 16,312           | 12,925           |
| Total Equity   | 11,357           | 7,688            | 6,694            |
| Gearing Ratio  | 2.13             | 2.12             | 1.93             |

- i) Equity includes all capital and reserves of the Company that are managed as capital.
- ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 15 and 19.

#### B) Financial risk management

The Company has an Audit & Risk Management Committee established by its Board of Directors for the Risk Management Framework and developing and monitoring the Company's risk management policy. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

#### C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates.

#### D) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by the company. These prices may be influenced by factors such as supply and demand, production costs (including the cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company purchases the steel and other building products in the open market from third parties in prevailing market price. The Company is therefore subject to fluctuations in the prices of HR Coils, Zinc etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

**E) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by keeping a close watch on the market variables and time to time negotiations with the Bankers for reduction of rate of interest.

**F) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

**Trade receivables:**

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

**G) Liquidity risk management**

Liquidity risk refers to the risk of financial distress extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for: term operational needs as well as for capex purposes. The Company generates sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continue monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**H) Fair Valuation of Financial Instrument**

Carrying value and Fair Value of Financial Instrument as on 31-03-2018, 31-03-2017 and 01-04-2016 is the same & there is no difference therein.

**35 Operating Lease**

**a) As Lessor:**

The company has entered into leasing arrangements for renting of a building admesuring approximately 1262 Square meter at the rate of ₹870/- per SM monthly For the period of 12 months, which is renewable.

**Disclosure in respect of assets (building) given on operating lease:**

| Particulars                     | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2016 |
|---------------------------------|------------------|------------------|------------------|
| Gross carrying amount of assets | 37,180,995       | 37,180,995       | 32,042,870       |
| Accumulated Depreciation        | 6,176,171        | 5,722,762        | -                |
| Depreciation for the year       | 453,409          | 1,273,819        | -                |

**b) As Lessee:**

Various building have been taken on operating lease with lease term for 11 months for office premises, storage space & employee residence which are renewable on a periodic basis by mutual consent of both parties. All the operating lease are cancelable by either parties for any reason by giving a prior notice. There is no restriction imposed by lease aggrements, such as those concerning dividends, additional debts.

**Lease payments recognised under rent expenses is as follows:**

(₹ in Lakhs)

| Particulars                                   | For the year ended<br>31-03-2018 | For the year ended<br>31-03-2017 |
|---|----------------------------------|----------------------------------|
| Minimum lease payment made on operating lease | 33                               | 17                               |

**36 Related party disclosures**

|   |   |   |   |
|---|---|---|---|
| A | Name of Related Parties and nature of relationship: |   |   |
|   | 1   | Associate enterprise over which key management personnels and their relative exercise significant influence | 1. Hitech Agro Vision Pvt Ltd<br>2. AKS Buildcon Pvt Ltd<br>3. HTL Ispat Pvt Ltd<br>4. Gujarat Hitech Steel Pvt Ltd   |
|   | 2   | Subsidiaries  | 1. HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary)  |
|   | 3   | Key Management Personnel (KMP)  | 1. Sh. Ajay Kumar Bansal as Managing Director<br>2. Sh. Anish Bansal as Whole time Director<br>3. Sh. Arvind Bansal, Chief Financial Officer<br>4. Sh. Arun Sharma, CS & Compliance Officer |
|   | 4   | Relatives of Key Management Personnel   | 1. Vipul Bansal is as Relatives of Managing Director<br>2. Rakesh Bansal is as Relatives of Managing Director   |

**B Transactions with related parties & Outstanding balance**

(₹ in Lakhs)

| Particulars |  |        | Value of Transaction |            |            |
|-------------|--|--------|----------------------|------------|------------|
|             |  |        | FY 2017-18           | FY 2016-17 | FY 2015-16 |
| 1           | Remuneration paid to Key Management Personnel                |        | 103.38               | 63.85      | 51.36      |
| 2           | Rent Paid to Key Management Personnel                        |        | 3.60                 | -          | -          |
| 3           | Interest paid to Key Management Personnel                    |        | -                    | 9.88       | 29.53      |
| 4           | Outstanding balance of Key Management Personnel              | Cr Bal | 1,783.16             | 1,111.17   | 235.43     |
| 5           | Salary paid to Relatives of Key Management Personnel         |        | 36.00                | 24.00      | 6.00       |
| 6           | Interest paid to Relatives of Key Management Personnel       |        | -                    | 4.81       | -          |
| 7           | Outstanding balance of Relatives of Key Management Personnel | Cr Bal | 57.83                | 59.37      | 53.50      |
| 8           | Interest paid to Related Entities                            |        | 7.32                 | 6.81       | 8.19       |

In respect of above parties there is no provision for doubtful debt as on March 31st, 2018 and no amount is written off or written back during the year in respect of debt/loans and advances due from/to them. Credit facilities of the company is further collaterally secured by the personal guarantee of the Promoter Directors as declared in note 15 & 19

**37. Contingent liabilities:**

(₹ in Lakhs)

| Particulars                           | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 |
|---------------------------------------|---------------------|---------------------|---------------------|
| Disputed UP Valud Added Tax Demand^   | 54.94               | 54.94               | 54.94               |
| Bank Guarantee relating to Entry Tax* | 128.98              | 128.98              | 128.98              |
| Performance Bank Guarantee            | 36.09               | 15.10               | 371.00              |
| Total                                 | 220.01              | 199.02              | 554.92              |

^Refer item (vii) of the Independent Audit Report

\*Relating to Entry Tax imposed by UP VAT Authorities during the FY 12 & petition thereof is pending with Hon'ble Allahabad High Court. The company is of the opinion that eventually no liability shall accrue to the company in this matter.

**38. Commitments**

(₹ in Lakhs)

| Particulars                            | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|---------------------|
| Estimated value of capital commitments | 27.24               | -                   | 11.58               |
| Total                                  | 27.24               | -                   | 11.58               |

**39 First time adoption Ind AS reconciliations**
**A. Reconciliations of Consolidated Balance Sheet**

(₹ in Lakhs)

| DESCRIPTION                           | As at 31.03.2017            |                                 |                      | As at 31.03.2016            |                                 |                      |
|---------------------------------------|-----------------------------|---------------------------------|----------------------|-----------------------------|---------------------------------|----------------------|
|                                       | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS |
| <b>I ASSETS</b>                       |                             |                                 |                      |                             |                                 |                      |
| <b>Non-Current Assets</b>             |                             |                                 |                      |                             |                                 |                      |
| (a) Property, Plant & Equipments      | 8,113.11                    | -                               | 8,113.11             | 5,644.82                    | -                               | 5,644.81             |
| (b) Capital Work-in-Progress          | 767.33                      | -                               | 767.33               | 651.19                      | -                               | 651.19               |
| (c) Other Intangible assets           | 10.23                       | -                               | 10.23                | 4.93                        | -                               | 4.93                 |
| <b>Financial Assets</b>               |                             |                                 |                      |                             |                                 |                      |
| (i) Investments                       | 0.03                        | -                               | 0.03                 | -                           | -                               | -                    |
| (ii) Loans                            | 604.42                      | 342.28                          | 262.14               | 514.94                      | 269.65                          | 245.29               |
| Other non-current assets              | 108.00                      | (342.28)                        | 450.28               | -                           | (269.65)                        | 269.65               |
| <b>Total Non-Current Asset</b>        | <b>9,603.12</b>             | <b>-</b>                        | <b>9,603.12</b>      | <b>6,815.88</b>             | <b>-</b>                        | <b>6,815.88</b>      |
| <b>Current Assets</b>                 |                             |                                 |                      |                             |                                 |                      |
| (i) Inventories                       | 12,437.38                   | -                               | 12,437.38            | 10,172.09                   | -                               | 10,172.09            |
| (ii) Trade receivables                | 9,586.10                    | -                               | 9,586.10             | 6,749.85                    | -                               | 6,749.85             |
| (iii) Cash and cash equivalents       | 1,642.08                    | 1,540.27                        | 101.82               | 1,272.56                    | 1,021.96                        | 250.59               |
| (iv) Bank balances                    | -                           | (1,540.27)                      | 1,540.27             | -                           | (1,021.96)                      | 1,021.96             |
| (v) Loans                             | 446.27                      | 446.27                          | -                    | 3,158.91                    | 3,071.78                        | 87.12                |
| (vi) Other current assets             | 2,272.59                    | (446.27)                        | 2,718.86             | -                           | (3,071.78)                      | 3,071.78             |
| <b>Total Current Assets</b>           | <b>26,384.42</b>            | <b>-</b>                        | <b>26,384.42</b>     | <b>21,353.40</b>            | <b>-</b>                        | <b>21,353.40</b>     |
| <b>Total Assets</b>                   | <b>35,987.54</b>            | <b>-</b>                        | <b>35,987.54</b>     | <b>28,169.29</b>            | <b>-</b>                        | <b>28,169.28</b>     |
| <b>II EQUITY AND LIABILITIES:</b>     |                             |                                 |                      |                             |                                 |                      |
| <b>Shareholders Funds</b>             |                             |                                 |                      |                             |                                 |                      |
| (a) Equity Share Capital              | 1,030.11                    | -                               | 1,030.11             | 1,030.11                    | -                               | 1,030.11             |
| (b) Other Equity                      | 6,622.81                    | (34.77)                         | 6,657.56             | 5,619.42                    | (62.29)                         | 5,681.70             |
| <b>Total Equity</b>                   | <b>7,652.92</b>             | <b>(34.77)</b>                  | <b>7,687.67</b>      | <b>6,649.53</b>             | <b>(62.29)</b>                  | <b>6,711.81</b>      |
| <b>Non-Current Liabilities</b>        |                             |                                 |                      |                             |                                 |                      |
| (a) Financial Liabilities             |                             |                                 |                      |                             |                                 |                      |
| (i) Borrowings                        | 4,902.26                    | 6.17                            | 4,896.09             | 3,283.30                    | -                               | 3,283.30             |
| (ii) Other financial liabilities      | 1,021.64                    | -                               | 1,021.64             | 953.79                      | -                               | 953.79               |
| (b) Provisions                        | 59.91                       | -                               | 59.91                | 63.32                       | -                               | 63.32                |
| (c) Deferred tax liabilities (Net)    | 407.07                      | (2.09)                          | 409.16               | 304.85                      | -                               | 304.85               |
| <b>Total Non-Current Liabilities</b>  | <b>6,390.89</b>             | <b>4.09</b>                     | <b>6,386.80</b>      | <b>4,605.26</b>             | <b>-</b>                        | <b>4,605.26</b>      |
| <b>Current Liabilities</b>            |                             |                                 |                      |                             |                                 |                      |
| <b>(a) Financial Liabilities</b>      |                             |                                 |                      |                             |                                 |                      |
| (i) Short-Term Borrowings             | 11,976.66                   | -                               | 11,976.66            | 10,336.80                   | -                               | 10,336.80            |
| (ii) Trade payables                   | 5,752.78                    | -                               | 5,752.78             | 3,744.61                    | -                               | 3,744.61             |
| (iii) Other financial liabilities     | -                           | (1,115.75)                      | 1,115.75             | -                           | (661.31)                        | 661.31               |
| (b) Other current liabilities         | 3,430.12                    | 1,156.64                        | 2,273.49             | 2,077.70                    | 661.31                          | 1,416.39             |
| (c) Provisions                        | 784.18                      | 205.30                          | 578.88               | 705.40                      | 189.66                          | 515.74               |
| (d) Current Tax Liabilities (Net)     | -                           | (215.51)                        | 215.51               | -                           | (127.38)                        | 127.38               |
| <b>Total Current Liabilities</b>      | <b>21,943.74</b>            | <b>30.68</b>                    | <b>21,913.06</b>     | <b>16,864.50</b>            | <b>62.29</b>                    | <b>16,802.22</b>     |
| <b>Total Liabilities</b>              | <b>28,334.63</b>            | <b>34.77</b>                    | <b>28,299.86</b>     | <b>21,469.76</b>            | <b>62.29</b>                    | <b>21,407.48</b>     |
| <b>Total Equity &amp; Liabilities</b> | <b>35,987.55</b>            | <b>-</b>                        | <b>35,987.53</b>     | <b>28,119.29</b>            | <b>-</b>                        | <b>28,119.29</b>     |

**B. Reconciliation of Consolidated total comprehensive income for the year ended March 31, 2017**

(₹ in Lakhs)

| Particulars   | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS |
|---|-----------------------------|---------------------------------|----------------------|
| <b>I</b> Revenue from operations  | 71,531.69                   | -                               | 71,531.69            |
| Less: Excise Duty   | 7,788.79                    | 7,788.79                        | -                    |
| <b>Income From Operatios (Net)</b>  | <b>63,742.90</b>            | <b>(7,788.79)</b>               | <b>71,531.69</b>     |
| <b>II</b> Other income  | 140.62                      | -                               | 140.62               |
| <b>III Total income (I + II)</b>  | <b>63,883.52</b>            | <b>(7,788.79)</b>               | <b>71,672.31</b>     |
| <b>IV Expenses:</b>   |                             |                                 |                      |
| Cost of materials consumed  | 53,780.29                   | -                               | 53,780.29            |
| Purchases of stock-in-trade   | 3,064.60                    | -                               | 3,064.60             |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | (577.60)                    | -                               | (577.60)             |
| Employee benefits expense   | 1,058.30                    | 0.00                            | 1,058.29             |
| Finance costs   | 1,952.58                    | 6.17                            | 1,946.41             |
| Depreciation and Amortization Expenses  | 693.74                      | -                               | 693.74               |
| Excise Duty Expense   | -                           | (7,788.79)                      | 7,788.79             |
| Other expenses  | 2,428.56                    | 0                               | 2,428.56             |
| <b>Total expenses</b>   | <b>62,400.46</b>            | <b>(7,782.62)</b>               | <b>70,183.08</b>     |
| <b>V Profit before exceptional items and tax (III-IV)</b>                     | <b>1,483.07</b>             | <b>(6.16)</b>                   | <b>1,489.23</b>      |
| <b>VI Exceptional items</b>   | -                           | -                               | -                    |
| <b>VII Profit/(loss) before tax (V-VI)</b>                                    | <b>1,483.07</b>             | <b>(6.16)</b>                   | <b>1,489.23</b>      |
| <b>VIII Tax expense/(benefit):</b>  |                             |                                 |                      |
| Current tax   | 376.53                      | (0.46)                          | 376.99               |
| Deferred tax  | 102.22                      | (2.09)                          | 104.31               |
| Previous Year Adjustments   | (30.21)                     | 0.00                            | (30.21)              |
|   | <b>448.54</b>               | <b>(2.54)</b>                   | <b>451.09</b>        |
| <b>IX Profit/(loss) for the years (VII-VIII)</b>                              | <b>1,034.52</b>             | <b>(3.62)</b>                   | <b>1,038.14</b>      |
| <b>Total Other comprehensive income / (loss) (A+B)</b>                        | -                           | -                               | -                    |
| <b>XI Total comprehensive income / (loss) (IX + X)</b>                        | <b>1,034.52</b>             | <b>(3.62)</b>                   | <b>1,038.14</b>      |
| <b>XII Earnings per equity share of Re. 1 each (refer note 34)</b>            |                             |                                 |                      |
| Basic   |                             |                                 |                      |
| Diluted   |                             |                                 |                      |

**C. Effects of IND AS adoption on Consolidated Total Equity**

(₹ in Lakhs)

|  | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| Total of Equity under IGAPP                                  | 7,652.91         | 6,632.05         |
| Effect of financial instrument in accordance with Ind AS 109 | 6.17             | -                |
| Proposed Dividend & Tax                                      | 31.14            | 62.29            |
| Tax Impact on above  | (2.55)           | -                |
| <b>Total of Equity under IND AS</b>                          | <b>7,687.69</b>  | <b>6,694.33</b>  |



**D. Effects of IND AS adoption on Consolidated Cash Flows for year ended 31 March 2017**

(₹ in Lakhs)

|   | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS |
|---|-----------------------------|---------------------------------|----------------------|
| Net cash generated from/(used in) operating activities      | 2,447.12                    | 6.43                            | 2,440.69             |
| Net cash generated from/(used in) investing activities      | (3,601.95)                  | 338.21                          | (3,940.16)           |
| Net cash generated from/(used in) financing activities      | 1,525.20                    | 173.68                          | 1,351.52             |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>370.37</b>               | <b>518.31</b>                   | <b>(147.94)</b>      |
| Cash and cash equivalents at start of year/period           | 1,271.73                    | 1,021.96                        | 249.76               |
| <b>Cash and cash equivalents at close of year/ period</b>   | <b>1,642.09</b>             | <b>1,540.28</b>                 | <b>101.82</b>        |

**E. Notes to the First Time Adoption of Ind AS to the Reconciliations of Standalone Financial Statements**

## i) Proposed dividend

Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date, but before the approval of the Financial Statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the General Meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) of ₹31.14 Lakhs as at March 31, 2017 (April 01, 2016: 62.29 Lakhs) included under current provisions has been reversed with corresponding adjustment to Retained earnings. Consequently, the total equity has increased by an equivalent amount.

## ii) Deferred tax

Under IGAAP, deferred tax accounting was done using the income statement approach which focuses on differences between taxable profit and accounting profit for the period. Ind AS requires entities to account for deferred taxes using the Balance Sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred taxes on temporary differences which were not required to be recorded under IGAAP.

In addition, the various transitional adjustments have led to deferred tax implications which the Company has accounted for.

## iii) Excise duty

Under IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive excise duty. Excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses. There is no impact on the total equity and profit.

Post applicability of Good & Service Tax ( GST ) w.e.f. 1st July 2017, revenue from operations are disclosed net of GST. Accordingly the revenue from operations and excise duty expense for the year ended 31.03.2018 & 31.03.2017 are not comparable with previous periods presented in the results.

For better understanding figures of revenue from operations net of GST & excise duty is given below :-

(₹ in Lakhs)

| Particulars                                      | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|--|-------------------------------|-------------------------------|
| Revenue from Operations                          | 104,024.68                    | 71,531.69                     |
| Less : Excise Duty                               | 2,455.31                      | 7,788.79                      |
| Revenue from Operations net of GST & Excise Duty | 101,569.37                    | 63,742.90                     |

## iv) Re Groupings

As per the requirement Ind AS, we need to do certain re-groupings in the Balance Sheet from the previous requirement of IGAAP. However it does not have any impact on Profitability | Equity.

**40. Additional Information**

(₹ in Lakhs)

| Particulars                  | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 |
|------------------------------|---------------------|---------------------|---------------------|
| CIF Value of Imports         | -                   | -                   | 1,551.17            |
| Foreign Currency Earnings    | -                   | -                   | -                   |
| Foreign Currency Expenditure | 50.28               | 19.31               | 8.97                |

**41. Basic of Consolidation**

HTL Metal Pvt Ltd has become subsidiary of Hitech Pipes Limited as on 10-08-2016 and accordingly Consolidated Financial Statement as on 01-04-2016 does not include Financial Statement of HTL Metal Pvt Ltd.

**42. Additional Information, as required under Schedule III to the Companies Act, 2013**

(₹ in Lakhs)

| Name of the entity  | 2017-18  |                |                             |                |
|---------------------|--|----------------|-----------------------------|----------------|
|                     | Net Assets, i.e., total assets minus total liabilities |                | Share in Profit             |                |
|                     | As % of consolidated Net assets                        | Amount in Lakh | As % of consolidated Profit | Amount in Lakh |
| <b>Parent:</b>      |  |                |                             |                |
| Hi-tech Pipes Ltd.  | 92.77%   | 10,536.40      | 69.31%                      | 1,456.00       |
| <b>Subsidiary:</b>  |  |                |                             |                |
| HTL Metal Pvt. Ltd. | 7.23%  | 820.96         | 30.69%                      | 644.81         |
| Total               | 100.00%  | 11,357.36      | 100.00%                     | 2,100.81       |

**43. Details of Subsidiaries**

Details of Group's Subsidiaries at the end of reporting period are as follows:

| Name of Subsidiaries | Place of Incorporation | Proportion of Ownership |            |            | Principal Activity          |
|----------------------|------------------------|-------------------------|------------|------------|-----------------------------|
|                      |                        | 31.03.2018              | 31.03.2017 | 01.04.2016 |                             |
| HTL Metal Pvt. Ltd.  | India                  | 100%                    | 100%       | 0%         | Manufacturer of Steel Pipes |

As per our report of even date

**For A.N. Garg & Company**

Chartered Accountants  
ICAI Regn No. 004616N

**A.N. Garg**

Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018

**For and on behalf of Board of Directors****Ajay Kumar Bansal**

Managing Director  
DIN : 01070123

**Arvind Bansal**

Chief Financial Officer

**Anish Bansal**

Director  
DIN : 00670250

**Arun Kumar**

Company Secretary

# **STANDALONE FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

To  
The Members of,  
HI-Tech Pipes Limited  
New Delhi

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of HI-TECH PIPES Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us [and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below,] is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss, total comprehensive income/ loss, its cash flows and the changes in equity for the year ended on that date.

### Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May, 2017 and 30th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company; so far it appears from our examination of these books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **A. N. GARG & COMPANY**  
Chartered Accountants  
FRN- 004616N

**A. N. GARG**  
(FCA, Partner)  
M.No.-083687

Place : New Delhi  
Date : 22.05.2018



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

**The Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" section of our Report of even date to the financial statements of the company for the period 1st April' 2017 to 31st March' 2018. 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, 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) As informed, and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanations given to us In respect of loans, investments, guarantees, and security, have been complied with (wherever applicable on the company) necessary provision of section 185 & 186 of the Companies Act, 2013.
- (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, 2016, 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, GST, Excise duty, Cess and other statutory dues have been generally deposited with the appropriate authority on regular basis.

- (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, GST, 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, GST, 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 High court Allahabad   |
| 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 of banks 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 utilized the money raised by way of initial public issue offer/ further public offer and the term loans during the year for the purposes for which they were raised.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (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 on the basis of information and explanations given by the management, 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
- (xiv) During the year the company has made preferential allotment of 200000 equity shares to the promoters and promoters group and 800000 fully convertible equity warrant to the promoters, promoters group and non promoters as per provision of the Company Act and ICDR Regulation.
- (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 during the year.
- (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 A. N.GARG & COMPANY**  
Chartered Accountants  
FRN- 004616N

**A. N. GARG**  
(FCA, Partner)  
M.No.-083687

Place : New Delhi  
Date : 22.05.2018

## Annexure - B To the Independent Auditor's Report

**(Referred to in paragraph under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the financial statements of the company for the period 1st April 2017 to 31st March 2018)**

**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, 2018 in conjunction with our audit of the standalone/standalone Ind AS (retain as applicable) financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company 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 respective company 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 of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the criteria for internal financial control over financial reporting established by the respective 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 **A. N. GARG & COMPANY**  
Chartered Accountants  
FRN- 004616N

**A. N. GARG**  
(FCA, Partner)  
M.No.-083687

Place : New Delhi  
Date : 22.05.2018

# Standalone Balance Sheet

**As At 31st March 2018**

(₹ in Lakhs)

|    | DESCRIPTION  | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----|--|----------|------------------|------------------|------------------|
| I  | <b>ASSETS</b>  |          |                  |                  |                  |
|    | <b>Non-Current Assets</b>  |          |                  |                  |                  |
|    | (a) Property, Plant & Equipments   | 2        | 9,569.52         | 6,659.97         | 5,511.69         |
|    | (b) Capital Work-in-Progress   | 3        | 1,151.55         | 301.16           | 651.19           |
|    | (c) Intangible assets  | 4        | 7.03             | 10.23            | 4.93             |
|    | (d) Financial Assets   |          |                  |                  |                  |
|    | (i) Investments  | 5        | 301.10           | 301.10           | -                |
|    | (ii) Loans   | 6        | 451.40           | 869.70           | 245.29           |
|    | (e) Other non-current assets   | 7        | 412.34           | 354.00           | 265.28           |
|    | <b>Total Non-Current Asset</b>   |          | <b>11,892.94</b> | <b>8,496.16</b>  | <b>6,678.38</b>  |
|    | <b>Current Assets</b>  |          |                  |                  |                  |
|    | (a) Inventories  | 8        | 12,338.95        | 11,563.76        | 10,172.09        |
|    | (b) Financial Assets   |          |                  |                  |                  |
|    | (i) Trade receivables  | 9        | 7,785.03         | 7,826.54         | 6,749.85         |
|    | (ii) Cash and cash equivalents   | 10       | 61.21            | 97.47            | 249.76           |
|    | (iii) Bank balances other than (ii) above                                | 11       | 1,165.16         | 1,490.17         | 1,021.96         |
|    | (c) Other current assets   | 12       | 2,297.74         | 2,272.59         | 3,071.78         |
|    | <b>Total Current Assets</b>  |          | <b>23,648.09</b> | <b>23,250.52</b> | <b>21,265.45</b> |
|    | <b>Total Assets</b>  |          | <b>35,541.03</b> | <b>31,746.68</b> | <b>27,943.83</b> |
| II | <b>EQUITY AND LIABILITIES:</b>   |          |                  |                  |                  |
|    | <b>Shareholders Funds</b>  |          |                  |                  |                  |
|    | (a) Equity Share Capital   | 13       | 1,050.11         | 1,030.11         | 1,030.11         |
|    | (b) Other Equity   | 14       | 9,486.29         | 6,481.43         | 5,664.22         |
|    | <b>Total Equity</b>  |          | <b>10,536.40</b> | <b>7,511.54</b>  | <b>6,694.33</b>  |
|    | <b>Non-Current Liabilities</b>   |          |                  |                  |                  |
|    | (a) Financial Liabilities  |          |                  |                  |                  |
|    | (i) Borrowings   | 15       | 3,973.76         | 3,196.66         | 3,210.54         |
|    | (ii) Other financial liabilities   | 16       | 637.51           | 1,021.64         | 953.79           |
|    | (b) Provisions   | 17       | 52.91            | 58.71            | 63.32            |
|    | (c) Deferred tax liabilities (Net)                                       | 18       | 623.28           | 397.57           | 304.85           |
|    | <b>Total Non-Current Liabilities</b>                                     |          | <b>5,287.47</b>  | <b>4,674.58</b>  | <b>4,532.50</b>  |
|    | <b>Current Liabilities</b>   |          |                  |                  |                  |
|    | (a) Financial Liabilities  |          |                  |                  |                  |
|    | (i) Borrowings   | 19       | 13,892.31        | 10,890.73        | 10,336.80        |
|    | (ii) Trade payables  | 20       | 3,500.39         | 5,266.23         | 3,744.61         |
|    | (iii) Other financial liabilities  | 21       | 1,059.26         | 1,026.79         | 661.31           |
|    | (b) Other current liabilities  | 22       | 1,042.63         | 1,682.33         | 1,331.24         |
|    | (c) Provisions   | 23       | 65.03            | 502.33           | 515.68           |
|    | (d) Current Tax Liabilities (Net)  |          | 157.54           | 192.15           | 127.38           |
|    | <b>Total Current Liabilities</b>   |          | <b>19,717.16</b> | <b>19,560.55</b> | <b>16,717.01</b> |
|    | <b>Total Liabilities</b>   |          | <b>25,004.63</b> | <b>24,235.12</b> | <b>21,249.51</b> |
|    | <b>Total Equity &amp; Liabilities</b>                                    |          | <b>35,541.03</b> | <b>31,746.68</b> | <b>27,943.83</b> |
|    | <b>See the accompanying notes to the standalone financial statements</b> |          |                  |                  |                  |

As per our report of even date

**For and on behalf of Board of Directors**
**For A.N. Garg & Company**

 Chartered Accountants  
 ICAI Regn No. 004616N

**Ajay Kumar Bansal**  
 Managing Director  
 DIN : 01070123

**Anish Bansal**  
 Director  
 DIN : 00670250

**A.N. Garg**

 Partner  
 Membership No. 083687  
 Place: New Delhi  
 Date: May 22, 2018

**Arvind Bansal**  
 Chief Financial Officer

**Arun Kumar**  
 Company Secretary

# Standalone Statement of Profit and Loss

for the year ended 31st March 2018

(₹ in Lakhs)

|      |  | Particulars | Note No | For the Year ended | For the Year ended |
|------|--|-------------|---------|--------------------|--------------------|
|      |  |             |         | 3/31/2018          | 3/31/2017          |
| I    | Revenue from operations  | 24          |         | 84,100.40          | 66,354.96          |
| II   | Other income   | 25          |         | 178.60             | 253.54             |
| III  | Total income (I + II)  |             |         | 84,279.00          | 66,608.50          |
| IV   | Expenses:  |             |         |                    |                    |
|      | Cost of materials consumed   | 26          |         | 70,763.77          | 49,366.42          |
|      | Purchases of stock-in-trade  |             |         | 3,881.66           | 3,064.60           |
|      | Changes in inventories of finished goods, work-in-progress and stock-in-trade    | 26          |         | (526.42)           | (231.94)           |
|      | Employee benefits expense  | 27          |         | 949.97             | 994.25             |
|      | Finance costs  | 28          |         | 2,286.85           | 1,972.59           |
|      | Depreciation and Amortization Expenses   | 29          |         | 327.49             | 612.44             |
|      | Excise Duty Expense  |             |         | 1,948.84           | 7,218.96           |
|      | Other expenses   | 30          |         | 2,507.37           | 2,292.19           |
|      | Total expenses   |             |         | 82,139.52          | 65,289.51          |
| V    | Profit before exceptional items and tax (III-IV)                                 |             |         | 2,139.48           | 1,318.99           |
| VI   | Exceptional items  |             |         | -                  | -                  |
| VII  | Profit/(loss) before tax (V-VI)  |             |         | 2,139.48           | 1,318.99           |
| VIII | Tax expense/(benefit):   |             |         |                    |                    |
|      | Current tax  | 18          |         | 456.60             | 343.25             |
|      | Deferred tax   | 18          |         | 265.75             | 92.72              |
|      | MAT Credit Entitlement   |             |         | (40.04)            | -                  |
|      | Previous Year Adjustments  |             |         | 1.17               | 3.53               |
|      |  |             |         | 683.48             | 439.50             |
| IX   | Profit/(loss) for the years (VII-VIII)   |             |         | 1,456.00           | 879.49             |
| X    | Other comprehensive income   |             |         |                    |                    |
| A    | i) Items that will not be reclassified to profit or loss                         |             |         |                    |                    |
|      | Changes in revaluation surplus   |             |         | -                  | -                  |
|      | ii) Income tax relating to items that will not be reclassified to profit or loss |             |         | -                  | -                  |
|      | Total (A)  |             |         | -                  | -                  |
|      |  |             |         |                    |                    |
| B    | i) Items that will be reclassified to profit or loss                             |             |         |                    |                    |
|      | (a) The effective portion of gains and loss on hedging instruments               |             |         | -                  | -                  |
|      | (b) Changes in Foreign Currency Monetary Item translation difference             |             |         | -                  | -                  |
|      | ii) Income tax relating to items that will be reclassified to profit or loss     |             |         | -                  | -                  |
|      | Total (B)  |             |         | -                  | -                  |
|      | Total Other comprehensive income / (loss) (A+B)                                  |             |         | -                  | -                  |
| XI   | Total comprehensive income / (loss) (IX + X)                                     |             |         | 1,456.00           | 879.49             |
| XII  | Earnings per equity share of Re. 10/- each                                       | 31          |         |                    |                    |
|      | Basic  |             |         | 14.13              | 8.54               |
|      | Diluted  |             |         | 12.88              | 8.54               |

See the accompanying notes to the standalone financial statements

As per our report of even date

For and on behalf of Board of Directors

**For A.N. Garg & Company**

Chartered Accountants  
ICAI Regn No. 004616N

**A.N. Garg**

Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018

**Ajay Kumar Bansal**

Managing Director  
DIN : 01070123

**Arvind Bansal**

Chief Financial Officer

**Anish Bansal**

Director  
DIN : 00670250

**Arun Kumar**

Company Secretary



# Standalone Statement of Changes in Equity

for the year ended 31 March, 2018

## A. Equity Share Capital (Refer Note 13)

(₹ in Lakhs)

| As at 01.04.2016 | Movement during the year | As at 01.04.2017 | Movement during the year | As at 01.04.2018 |
|------------------|--------------------------|------------------|--------------------------|------------------|
| 1,030.11         | -                        | 1,030.11         | 20.00                    | 1,050.11         |

## B. Other Equity (Refer Note 14)

(₹ in Lakhs)

| Particulars   | Reserves & Surplus       |                   |                 |                                      | Total           |
|---|--------------------------|-------------------|-----------------|--------------------------------------|-----------------|
|   | Security Premium Reserve | Retained Earnings | General Reserve | Money Received Against Share Warrant |                 |
| <b>Opening Balance as at 1 April, 2016</b>            | <b>1,686.37</b>          | <b>1,132.25</b>   | <b>2,845.60</b> | -                                    | <b>5,664.22</b> |
| Profit for the year                                   | -                        | 879.49            | -               | -                                    | 879.49          |
| Dividend including DDT                                | -                        | (62.28)           | -               | -                                    | (62.28)         |
| Transfer to General Reserve                           | -                        | (100.00)          | 100.00          | -                                    | -               |
| <b>Closing Balance as at 31 March, 2017</b>           | <b>1,686.37</b>          | <b>1,849.46</b>   | <b>2,945.60</b> | -                                    | <b>6,481.43</b> |
| Profit for the year                                   | -                        | 1,456.00          | -               | -                                    | 1,456.00        |
| Fresh Issue of fully convertible equity Share Warrant | -                        | -                 | -               | 800.00                               | 800.00          |
| Dividend including DDT                                | -                        | (31.14)           | -               | -                                    | (31.14)         |
| <b>Security Premium on :</b>                          |                          |                   |                 |                                      |                 |
| Fresh Issue of Equity share                           | 780.00                   | -                 | -               | -                                    | 780.00          |
| Transfer to General Reserve                           | -                        | (100.00)          | 100.00          | -                                    | -               |
| <b>Closing Balance as at 31 March, 2018</b>           | <b>2,466.37</b>          | <b>3,174.32</b>   | <b>3,045.60</b> | <b>800.00</b>                        | <b>9,486.29</b> |

See the accompanying notes to the standalone financial statements

### As per our report of even date

#### For A.N. Garg & Company

Chartered Accountants  
ICAI Regn No. 004616N

#### A.N. Garg

Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018

### For and on behalf of Board of Directors

#### Ajay Kumar Bansal

Managing Director  
DIN : 01070123

#### Arvind Bansal

Chief Financial Officer

#### Anish Bansal

Director  
DIN : 00670250

#### Arun Kumar

Company Secretary

## Standalone Statement of Cash Flow

### for the year ended 31st March 2018

(₹ in Lakhs)

| PARTICULARS  | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|--|-------------------------------|-------------------------------|
| <b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>                  |                               |                               |
| Net Profit Before Tax and Extra Ordinary Activity                  | 2,139.48                      | 1,318.99                      |
| Add/(Less) Adjustments for:  |                               |                               |
| Depreciation & Amortisations                                       | 327.49                        | 612.44                        |
| (Profit) / Loss on Sale of Fixed Assets                            | -                             | (46.67)                       |
| Interest Received  | (178.60)                      | (206.87)                      |
| Finance Costs  | 2,286.85                      | 1,972.59                      |
| Other Provisions   | (443.10)                      | (17.96)                       |
| <b>Operating Profit Before Working Capital Changes</b>             | <b>4,132.12</b>               | <b>3,632.51</b>               |
| Adjustments for:-  |                               |                               |
| Increase / (Decrease) Trade Payables                               | (1,765.84)                    | 1,521.62                      |
| Increase / (Decrease) Current Liabilities                          | 32.47                         | 365.47                        |
| Increase / (Decrease) Other Current Liabilities                    | (639.70)                      | 351.09                        |
| (Increase) / Decrease Trade Receivables                            | 41.50                         | (1,076.69)                    |
| (Increase) / Decrease Inventories                                  | (775.19)                      | (1,391.67)                    |
| (Increase) / Decrease Other Current assets                         | (25.15)                       | 799.19                        |
| Cash Generated from Operations                                     | <b>1,000.22</b>               | <b>4,201.54</b>               |
| Direct Taxes Paid  | 492.38                        | 282.00                        |
| <b>Net Cash Flow From Operating Activities</b>                     | <b>507.85</b>                 | <b>3,919.54</b>               |
| <b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>                     |                               |                               |
| Addition to /Advance for Capital Assets                            | (58.35)                       | (88.72)                       |
| Investment in Wholly Owned Subsidiary                              | 403.65                        | (920.38)                      |
| Bank deposits considered other than Cash and cash equivalents      | 325.01                        | (468.20)                      |
| Purchase of Fixed Assets   | (4,084.24)                    | (1,415.99)                    |
| Sale of Fixed Assets   | -                             | 46.67                         |
| <b>Net Cash Flow From Investing Activities</b>                     | <b>(3,413.93)</b>             | <b>(2,846.62)</b>             |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                               |                               |
| Net Proceeds on issue of Equity Shares/Warrants                    | 1,600.00                      | -                             |
| Dividend Paid (Including taxes)                                    | (31.14)                       | (62.28)                       |
| Increase/ (Decrease) in Long Term Borrowings                       | 777.11                        | (13.88)                       |
| Increase/ (Decrease) in Short Term Borrowings                      | 3,001.58                      | 553.93                        |
| Increase/ (Decrease) in Other Long Term Liabilities                | (384.13)                      | 67.85                         |
| (Increase) / Decrease Other Non Current assets                     | 14.65                         | (5.13)                        |
| Interest Received  | 178.60                        | 206.87                        |
| Interest Paid  | (1,993.88)                    | (1,720.08)                    |
| Other Finance Costs  | (292.96)                      | (252.51)                      |
| <b>Net Cash Flow Used In Financing Activities</b>                  | <b>2,869.82</b>               | <b>(1,225.23)</b>             |
| Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C) | <b>(36.26)</b>                | <b>(152.31)</b>               |
| Cash and Cash Equivalent at the Beginning of the Year              | <b>97.47</b>                  | <b>249.76</b>                 |
| Cash and Cash Equivalent at the Closing of the Year                | <b>61.21</b>                  | <b>97.47</b>                  |
| Closing cash balance as per Balance sheet                          | 61.21                         | 97.47                         |

As per our report of even date  
For A.N. Garg & Company

Chartered Accountants  
ICAI Regn No. 004616N

**A.N. Garg**

Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018

For and on behalf of Board of Directors

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary

## Notes to the Standalone Financial Statements

### Background

Hi-Tech Pipes Limited is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi – 110005, India and principal place of business is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034, India.

The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips & Engineering products and distribution of the same across India

### Note 1 Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### A) Basis of preparation:

##### i) **Compliance with Ind AS :**

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer Note 39 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to Ind AS has affected the financial position, financial performance and cash flows of the Company.

##### ii) Accrual basis of accounting

##### iii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for certain financial assets and liabilities that are measured at fair value

#### B) Foreign currency transactions:

##### i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

##### ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

#### C) Revenue recognition:

##### i) Timing of recognition :

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company.

This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

##### ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, GST ( Goods & Service Tax ) etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not.

Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

#### **D) Income taxes:**

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

#### **E) Government grants:**

- i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
- iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

#### **F) Leases:**

##### **As a lessee:**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

##### **As a lessor:**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

**G) Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the basis of Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives :

| <b>Asset category</b> | <b>Estimated useful life</b> |
|-----------------------|------------------------------|
| Factory Buildings     | 30 years                     |
| Plant and equipment   | 5 to 25 years                |
| Vehicles              | 8 to 10 years                |
| Furniture & Fittings  | 10 years                     |
| Computers             | 3 years                      |

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

**H) Intangible assets:**

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an

intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

**Transition to Ind AS:**

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of intangible assets.

**I) Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

**J) Impairment of assets:**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

**K) Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**L) Trade receivables:**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment.

**M) Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

**N) Inventories:**

Raw materials, packing materials, purchased finished goods,



work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

## **O) Investments and other financial assets:**

### **Classification:**

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)
- ii) Those measured at amortised cost

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

### **Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

### **Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

### **Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics

of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

### Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

### Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

### Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

### Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Investments in subsidiary company

Investments in subsidiary company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately

to its recoverable amount. On disposal of investments in subsidiary company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**De-recognition:**

A financial asset is de-recognised only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities:**

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**P) Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**Q) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**R) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**S) Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a

whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

#### **T) Employee benefits:**

##### Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

##### Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

##### **Defined contribution plan:**

Contributions to defined contribution schemes such as

contribution to Provident Fund and Employees' State Insurance Corporation are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

##### **Defined benefit plan:**

##### Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

#### **U) Research and Development expenditure:**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

#### **V) Earnings per share:**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

#### **W) Contributed equity:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **X) Critical estimates and judgements**

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements

or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets
- ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

## Y) Transition to Ind AS

These are the first Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 01, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes:

### Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 01, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

#### a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

##### i) Deemed cost

Ind AS 101 permits a first-time adopter to elect

to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their IGAAP carrying value in their Financial Statements.

#### ii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

#### iii) Investments in subsidiary company

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary company under IGAAP carrying amount as its deemed cost on the transition date.

#### b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP.

## Z) Others

- i) Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements.
- ii) The Financial Statements were authorised for issue by the Board of Directors on May 22, 2018.

**2. Property, Plant and Equipment**

| Particulars   | Land          | Office Building | Factory Shed & Building | Plant & Machinery | Office Equipment | Computers    | Furniture & Fixtures | Vehicles      | Total Tangible Assets |
|---|---------------|-----------------|-------------------------|-------------------|------------------|--------------|----------------------|---------------|-----------------------|
| <b>Deemed Cost as at 1st April, 2016</b>                    | <b>849.35</b> | <b>449.19</b>   | <b>981.89</b>           | <b>2,998.05</b>   | <b>36.08</b>     | <b>7.24</b>  | <b>95.07</b>         | <b>94.82</b>  | <b>5,511.69</b>       |
| Additions   | 109.10        | 61.93           | 289.72                  | 1,223.70          | 10.59            | 9.29         | 4.07                 | 47.40         | <b>1,755.80</b>       |
| Disposals   | -             | -               | -                       | -                 | -                | -            | -                    | -5.44         | <b>-5.44</b>          |
| <b>Gross Carrying amt. as at 31st March, 2017</b>           | <b>958.45</b> | <b>511.12</b>   | <b>1,271.60</b>         | <b>4,221.75</b>   | <b>46.67</b>     | <b>16.53</b> | <b>99.14</b>         | <b>136.78</b> | <b>7,262.05</b>       |
| Addition  | -             | 1,596.72        | 142.69                  | 1,360.15          | 4.87             | 1.65         | 13.30                | 113.50        | <b>3,232.88</b>       |
| Disposals   | -             | -               | -                       | -                 | -                | -            | -                    | -             | -                     |
| <b>Gross Carrying amt. as at 31st March, 2018</b>           | <b>958.45</b> | <b>2,107.84</b> | <b>1,414.29</b>         | <b>5,581.90</b>   | <b>51.54</b>     | <b>18.18</b> | <b>112.44</b>        | <b>250.28</b> | <b>10,494.94</b>      |
| <b>Accumulated Depreciation/Amortisation and impairment</b> |               |                 |                         |                   |                  |              |                      |               |                       |
| <b>Balance as 31.03.2016</b>                                | -             | -               | -                       | -                 | -                | -            | -                    | -             | -                     |
| Depreciation for the year                                   | -             | 24.72           | 96.79                   | 397.56            | 15.15            | 5.80         | 26.82                | 39.68         | <b>606.52</b>         |
| Depreciation on Disposals                                   | -             | -               | -                       | -                 | -                | -            | -                    | -             | -                     |
| <b>Balance as 31.03.2017</b>                                | -             | <b>24.72</b>    | <b>96.79</b>            | <b>397.56</b>     | <b>15.15</b>     | <b>5.80</b>  | <b>26.82</b>         | <b>39.68</b>  | <b>606.52</b>         |
| Depreciation for the year                                   | -             | 13.03           | 43.27                   | 204.57            | 11.59            | 7.12         | 13.45                | 30.30         | <b>323.33</b>         |
| Depreciation on Disposals                                   | -             | -               | -                       | -                 | -                | -            | -                    | -             | -                     |
| <b>Balance as 31.03.2018</b>                                | -             | <b>37.75</b>    | <b>140.06</b>           | <b>602.13</b>     | <b>26.74</b>     | <b>12.92</b> | <b>40.27</b>         | <b>69.98</b>  | <b>929.85</b>         |
| <b>Net Carrying amount</b>                                  |               |                 |                         |                   |                  |              |                      |               |                       |
| <b>As at 31.03. 2018</b>                                    | <b>958.45</b> | <b>2,070.10</b> | <b>1,274.24</b>         | <b>4,979.77</b>   | <b>24.80</b>     | <b>5.26</b>  | <b>72.17</b>         | <b>180.30</b> | <b>9,569.52</b>       |
| <b>As at 31.03.2017</b>                                     | 958.45        | 486.40          | 1,174.81                | 3,824.19          | 31.52            | 10.73        | 72.33                | 97.10         | <b>6,659.97</b>       |
| <b>As at 01.04.2016</b>                                     | 849.35        | 449.19          | 981.89                  | 2,998.05          | 36.08            | 7.24         | 95.07                | 94.82         | <b>5,511.69</b>       |
| Useful life of Assets (Years)                               | NA            | 60              | 30                      | 15-25             | 5                | 3            | 10                   | 8-10          | -                     |
| Method of Depreciation                                      | NA            | SLM             | SLM                     | SLM               | SLM              | SLM          | SLM                  | SLM           | -                     |

Note:

- The company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of the transition to Ind AS i.e. 1st April, 2016 measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at 1st April, 2016 amounting to ₹5511.70 lakhs of property, plant & equipment represents gross cost of ₹9290.95 net of accumulated depreciation of ₹3779.25 as at 31st March, 2016.
- Property, Plant & equipment have been pledged as security against certain long term borrowings of the company as at 31 March 2018 (Refer Note 15)
- Considering the nature of property, plant and equipment using in the business and operations of the company, it has been analyzed and observed that assets are depreciating in linear and steady rate every year because repair and maintenance costs were almost equal on particular assets in preceding financial years irrespective of its capacity utilization. Since assets are depreciating in linear vertical, therefore method of depreciation on all assets has been changed from written down method to straight line method prospectively w.e.f Financial Year 2017-18.
- The company was having some Property lying as Inventory. In order to fulfill its business requirement the company has decided to use some those Property for business purposes & accordingly during FY 2018 company has re-classified Inventory Property of ₹1049.84 Lakhs as Fixed Assets.
- The Company has capitalised ₹25.53 Lakhs as borrowing cost during the FY 2017-18 (FY 17 ₹201.71, FY 16 ₹115)



**3. Capital Work-in-Progress**

(₹ in lakhs)

| Particulars             | Total           |
|-------------------------|-----------------|
| As at 01.04.2016        | <b>651.19</b>   |
| As at 31.03.2017        | <b>301.16</b>   |
| <b>As at 31.03.2018</b> | <b>1,151.55</b> |

**4. Intangible Assets**

(₹ in lakhs)

| Particulars   | Computer Software | Intangibles Total |
|---|-------------------|-------------------|
| <b>Deemed cost at 1st April, 2016</b>               | <b>4.93</b>       | <b>4.93</b>       |
| Additions   | 11.23             | <b>11.23</b>      |
| Disposals   | -                 | -                 |
| <b>Gross Carrying amount as at 31st March, 2017</b> | <b>16.16</b>      | <b>16.16</b>      |
| Additions   | 0.96              | <b>0.96</b>       |
| Disposals   | -                 | -                 |
| <b>Gross Carrying amount as at 31st March, 2018</b> | <b>17.12</b>      | <b>17.12</b>      |
| <b>Accumulated Depreciation and impairment</b>      |                   |                   |
| <b>Balance as 1st April, 2016</b>                   |                   |                   |
| Amortisation for the year                           | 5.92              | <b>5.92</b>       |
| Amortisation on Disposals                           | -                 | -                 |
| <b>Balance as 1st April, 2017</b>                   | <b>5.92</b>       | <b>5.92</b>       |
| Amortisation for the year                           | 4.16              | <b>4.16</b>       |
| Amortisation on Disposals                           | -                 | -                 |
| <b>Balance as 1st April, 2018</b>                   | <b>10.09</b>      | <b>10.09</b>      |
| <b>Net Carrying Amount</b>                          |                   |                   |
| <b>As at 31.03.2018</b>                             | <b>7.03</b>       | <b>7.03</b>       |
| <b>As at 31.03.2017</b>                             | 10.23             | <b>10.23</b>      |
| <b>As at 31.03.2016</b>                             | 4.93              | <b>4.93</b>       |
| Useful life of Assets (Years)                       | 5                 | -                 |
| Method of Depreciation                              | SLM               |                   |

**5. Investments In subsidiaries (Non Current)**

| Particulars                                       | Paid Up Value | As at 31.03.2018 |              | As at 31.03.2017 |              | As at 01.04.2016 |              |
|---|---------------|------------------|--------------|------------------|--------------|------------------|--------------|
|   |               | No. Of Shares    | (₹ in lakhs) | No. Of Shares    | (₹ in lakhs) | No. Of Shares    | (₹ in lakhs) |
| A. Investment in Equity Shares (Unquoted)         |               |                  |              |                  |              |                  |              |
| Subsidiaries (at cost or deemed cost)             |               |                  |              |                  |              |                  |              |
| HTL Metal Pvt. Ltd.<br>(face value of ₹10/- each) | ₹10/- each    | 2,360,000        | 301.10       | 2,360,000        | 301.10       | -                | -            |
| Total   |               |                  | 301.10       |                  | 301.10       |                  | -            |
| Unquoted  |               |                  |              |                  |              |                  |              |
| Aggregate carrying value                          |               |                  | 301.10       |                  | 301.10       |                  | -            |
| Investment at Cost                                |               |                  | 301.10       |                  | 301.10       |                  |              |

**6. Loans (Unsecured) (Non Current)**

(₹ in lakhs)

| Particulars             | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------|------------------|------------------|------------------|
| Loans (Considered good) |                  |                  |                  |
| to related parties*     | 215.62           | 619.28           | -                |
| Security deposit        | 235.77           | 250.42           | 245.29           |
| <b>Total</b>            | <b>451.40</b>    | <b>869.70</b>    | <b>245.29</b>    |

**\*Details of loans and advances in the nature of loans to subsidiaries (including interest receivable):**

| Name of Company | As at 31.03.2018                           |                    | As at 31.03.2017                           |                    | As at 01.04.2016                           |                    |
|-----------------|--|--------------------|--|--------------------|--|--------------------|
|                 | Maximum amount outstanding during the year | Amount outstanding | Maximum amount outstanding during the year | Amount outstanding | Maximum amount outstanding during the year | Amount outstanding |
| HTL Metal Ltd.  | 619.28                                     | 215.62             | 873.38                                     | 619.28             | -  | -                  |

**7 Other Assets (Unsecured) (Non Current)**

(₹ in lakhs)

| Particulars                        | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|------------------------------------|------------------|------------------|------------------|
| Capital Advances (considered good) | 412.34           | 354.00           | 265.28           |
| <b>Total</b>                       | <b>412.34</b>    | <b>354.00</b>    | <b>265.28</b>    |

**8 Inventories**

(₹ in lakhs)

| Particulars  | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| <b>Inventories</b> (at lower of cost and net realisable value) |                  |                  |                  |
| Raw materials  | 5,943.64         | 4,254.12         | 3,262.86         |
| Work-in-progress   | 726.98           | 551.83           | 430.05           |
| Semi-finished / finished goods                                 | 4,763.27         | 4,924.57         | 4,896.89         |
| Production consumables and stores and spares                   | 703.27           | 581.62           | 532.45           |
| Immovable Property   | 201.78           | 1,251.62         | 1,049.84         |
| <b>Total</b>   | <b>12,338.95</b> | <b>11,563.76</b> | <b>10,172.09</b> |

Inventories have been pledged as security against certain bank borrowings of the company (Refer note 19)

**Details of Stock-in-transit**

| Particulars    | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------|------------------|------------------|------------------|
| Finished Goods | -                | 9.29             | 5.79             |
| <b>Total</b>   | <b>-</b>         | <b>9.29</b>      | <b>5.79</b>      |

**9 Trade Receivables (Current)**

(₹ in lakhs)

| Particulars                 | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-----------------------------|------------------|------------------|------------------|
| Unsecured (considered good) | 7,785.03         | 7,826.54         | 6,749.85         |
| <b>Total</b>                | <b>7,785.03</b>  | <b>7,826.54</b>  | <b>6,749.85</b>  |

- The credit period on sale of goods ranges from 30 to 60 days without securities. No interest is charged on trade receivables.
- Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.
- The company does not generally hold any collateral or other credit enhancements over the balances.
- Trade receivables have been given as collateral toward borrowings (refer security note below Note 19)

**10 Cash and cash equivalents**

(₹ in lakhs)

| Particulars                            | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Balance with banks in current accounts | 17.41            | 66.69            | 187.69           |
| Cash on hand                           | 43.80            | 30.78            | 62.07            |
| <b>Total</b>                           | <b>61.21</b>     | <b>97.47</b>     | <b>249.76</b>    |

**11 Bank Balance other than cash and cash equivalents**

(₹ in lakhs)

| Particulars  | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Earmarked balances   |                  |                  |                  |
| In current accounts  | 0.54             | 0.46             | -                |
| In margin money<br>(with maturity more than 3 months but less than 12 months) at inception | 1,164.62         | 1,489.71         | 1,021.96         |
| <b>Total</b>   | <b>1,165.16</b>  | <b>1,490.17</b>  | <b>1,021.96</b>  |

11.1 Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks

**12 Other Current Assets (Unsecured)**

(considered Good)

(₹ in lakhs)

| Particulars                         | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------------------|------------------|------------------|------------------|
| Advances to suppliers & others      | 1,558.54         | 1,598.61         | 2,116.72         |
| Balance with Government authorities | 697.36           | 660.57           | 932.12           |
| Prepayment & others                 | 41.84            | 13.41            | 22.94            |
| <b>Total</b>                        | <b>2,297.74</b>  | <b>2,272.59</b>  | <b>3,071.78</b>  |

**13 Equity share capital**

(₹ in lakhs)

| Particulars   | Number of Share ( Nos in Lakhs ) |                |                | Amount (Rs In lakhs) |                  |                  |
|---|----------------------------------|----------------|----------------|----------------------|------------------|------------------|
|   | 31.03.2018                       | 31.03.2017     | 01.04.2016     | 31.03.2018           | 31.03.2017       | 01.04.2016       |
| <b>Share Capital</b>  |                                  |                |                |                      |                  |                  |
| <b>(a) Authorised :</b>   |                                  |                |                |                      |                  |                  |
| Equity shares of the par value of ₹10/- each                          | 140.000                          | 110.000        | 110.000        | 1,400.000            | 1,100.000        | 1,100.000        |
| <b>(b) Issued and subscribed: (A)</b>                                 |                                  |                |                |                      |                  |                  |
| Outstanding at the beginning of the year                              | 103.011                          | 103.011        | 103.011        | 1,030.110            | 1,030.110        | 1,030.110        |
| <b>(c) Fresh Issue during the year through Preferential allotment</b> | 2.000                            | -              | -              | 20.000               | -                | -                |
| <b>(d) Outstanding at the end of the year</b>                         | 105.011                          | 103.011        | 103.011        | 1,050.110            | 1,030.110        | 1,030.110        |
| <b>Total (A+B+C)</b>  | <b>105.011</b>                   | <b>103.011</b> | <b>103.011</b> | <b>1,050.110</b>     | <b>1,030.110</b> | <b>1,030.110</b> |

a) The Movement of Share Capital in Subscribed and Paid up Share Capital is set out as below

(₹ in lakhs)

| Particulars   | Number of Share |                | Amount (Rs In lakhs) |                  |
|---|-----------------|----------------|----------------------|------------------|
|   | 31.03.2018      | 31.03.2017     | 31.03.2018           | 31.03.2017       |
| Equity shares of ₹10/- each fully paid up as on 1 April                 | 103.011         | 103.011        | 1,030.110            | 1,030.110        |
| Add: Fresh Equity Shares Issued on preferential basis during the year** | 2.000           | -              | 20.000               | -                |
| <b>Equity shares - closing as on 31 March</b>                           | <b>105.011</b>  | <b>103.011</b> | <b>1,050.110</b>     | <b>1,030.110</b> |

b) Issue of equity shares having a face value ₹10/- each allotted on Preferential basis at ₹400/- Per equity share to Promoter &amp; Promoter Group

| Date of Allotment | Number of Share | Share Capital | Security Premium | Total    |
|-------------------|-----------------|---------------|------------------|----------|
| 26th March 2018   | 200000          | 2000000       | 78000000         | 80000000 |

 c) **\*\*Rights, preferences and restrictions attached to equity shares**

The Company has single class of equity shares and carry a right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

 d) **Shareholders holding more than 5% share in the company are set out below:**

(₹ in lakhs)

| Particulars                   | As at 31.03.2018 |            | As at 31.03.2017 |            | As at 31.03.2016 |            |
|-------------------------------|------------------|------------|------------------|------------|------------------|------------|
|                               | Number of Share  | % of Share | Number of Share  | % of Share | Number of Share  | % of Share |
| Ajay Kumar Bansal             | 1,491,900        | 14.21%     | 1,491,990        | 14.48%     | 1,491,900        | 14.48%     |
| Parveen Bansal                | 1,019,000        | 9.70%      | 1,019,200        | 9.89%      | 1,019,200        | 9.89%      |
| Vipul Bansal                  | 817,600          | 7.79%      | 717,600          | 6.97%      | 717,600          | 6.97%      |
| Anish Bansal                  | 737,600          | 7.02%      | 637,600          | 6.19%      | 637,600          | 6.19%      |
| AKS Buildcon Pvt. Ltd.        | 552,000          | 5.26%      | 552,000          | 5.36%      | 552,000          | 5.36%      |
| Ajay Kumar & Sons (HUF)       | 520,800          | 4.96%      | 520,800          | 5.06%      | 520,800          | 5.06%      |
| Hi- Tech Agrovision Pvt. Ltd. | 516,000          | 4.91%      | 516,000          | 5.01%      | 516,000          | 5.01%      |
| Shweta Bansal                 | 541,200          | 5.15%      | 541,200          | 5.25%      | 541,200          | 5.25%      |

**e) For the period of five years immediately preceding the date of Balance Sheet**

Aggregate number & class of shares allotted by the company as fully paid up pursuant to contracts without receipt of cash: NIL

Aggregate number & class of shares bought back by the company: NIL

Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares: NIL

| Particulars  | 2015-16   | 2013-14   | Total     |
|--|-----------|-----------|-----------|
| Fully paid up Equity shares by way of Bonus Shares<br>(Face Value of ₹10/- each) | 3,785,550 | 2,340,000 | 6,125,550 |

**f) Dividends**

The Board of Directors, in its meeting on May 22, 2018 has recommended a final dividend of ₹0.25 per equity share for the financial year ended March 31, 2018. This proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹32.15 Lakhs including Dividend Distribution Tax. This figure may change to the extent of conversion of fully convertible warrants into Equity shares on or before book closure date for the purpose of dividend.

**14 Other Equity**

(₹ in lakhs)

| Particulars                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Securities premium account | 2,466.37         | 1,686.37         | 1,686.37         |
| Retained earnings          | 3,174.32         | 1,849.46         | 1,132.25         |
| General reserve            | 3,045.60         | 2,945.60         | 2,845.60         |
| Share Warrants             | 800.00           | -                | -                |
| <b>Total</b>               | <b>9,486.29</b>  | <b>6,481.43</b>  | <b>5,664.22</b>  |

**(i) Securities premium account**

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

**(ii) General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

**(iii) Share Warrant (Fully Convertible in Equity Shares)**

The company has issued and allotted 8,00,000 fully convertible warrants to promoter, promoter group and non-promoters on preferential basis @ ₹400/- each on subscription amount of ₹100/- each (being 25% application money), which are convertible into equal number of equity shares, which carries pari - passu rank with existing equity shares within one or more tranches of payment. The holder of convertible warrants shall convert his holding of convertible warrants within 18 month from the date of allotment of such convertible warrants.

| Date of allotment | Number of Warrants issued | Issue Price per Warrant | Total Amount on Warrant | Amount Received per warrant | Total Amount Received | Balance amount on each warrant | Total Balance Amount to be Received |
|-------------------|---------------------------|-------------------------|-------------------------|-----------------------------|-----------------------|--------------------------------|-------------------------------------|
| March 26, 2018    | 150,000                   | 400                     | 60,000,000              | 100                         | 15,000,000            | 300                            | 45,000,000                          |
| March 27, 2018    | 150,000                   | 400                     | 60,000,000              | 100                         | 15,000,000            | 300                            | 45,000,000                          |
| March 28, 2018    | 500,000                   | 400                     | 200,000,000             | 100                         | 50,000,000            | 300                            | 150,000,000                         |
| <b>Total</b>      | <b>800,000</b>            |                         | <b>320,000,000</b>      |                             | <b>80,000,000</b>     |                                | <b>240,000,000</b>                  |

Note:

Fully convertible warrant are convertible in equity share only after the payment of balance receivable on such fully convertible warrants.

**15 Borrowings (Non Current)**

(₹ in lakhs)

| Particulars  | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| <b>Term Loans:</b>                                 |                     |                     |                     |
| From Bank  | 3,230.22            | 2,550.50            | 2,460.12            |
| From Others  | 504.35              | 30.00               | 35.68               |
| Vehicle Loans                                      | 83.27               | 26.37               | 4.61                |
| <b>Total (A)</b>                                   | <b>3,817.84</b>     | <b>2,606.87</b>     | <b>2,500.41</b>     |
| <b>Unsecured</b>                                   |                     |                     |                     |
| From Directors                                     | -                   | 424.91              | 235.44              |
| <b>Intercompany Borrowings:</b>                    |                     |                     |                     |
| Loan from Related Parties                          | 72.38               | 71.32               | 12.54               |
| Loan from Body Corporate                           | 94.96               | 94.96               | 462.15              |
| <b>Total (B)</b>                                   | <b>167.34</b>       | <b>591.19</b>       | <b>710.13</b>       |
| Unamortised upfront fee on Secured Borrowing ('C') | -11.42              | -1.40               | -                   |
| <b>Total (A) + (B) + ('C')</b>                     | <b>3,973.76</b>     | <b>3,196.66</b>     | <b>3,210.54</b>     |

(₹ in lakhs)

| As at 31.03.2018                    |         | As at 31.03.2017 |         | As at 01.04.2016 |         | Terms of Repayment   | Security  |
|-------------------------------------|---------|------------------|---------|------------------|---------|--|---|
| Non-Current                         | Current | Non-Current      | Current | Non-Current      | Current |  |   |
| A. Term Loans (Secured)             |         |                  |         |                  |         |  |   |
| Rupee Term loan from Bank (Secured) |         |                  |         |                  |         |  |   |
| -                                   | -       | -                | -       | -                | 2.62    | Repayable in monthly instalments of ₹4.22 lakhs (including Interest). Last Instalment due on Apr 2016        | 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 personnel guarantee of promoter directors |
| -                                   | 43.57   | 56.24            | 84.24   | 144.12           | 84.24   | Repayable in monthly instalments of ₹7.02 lakhs last instalment due in Oct 2018                              |   |
| 40.76                               | 10.00   | -                | -       | -                | -       | Repayable in equated monthly instalments along with interest of ₹1.21 lakhs last instalment due in June 2022 | Equitable mortgage on Property situated at A-811, Tower Mondeal Heights, Ahemedabad, Gujrat.  |
| 750.00                              | 250.00  | -                | -       | -                | -       | Repayable in Quarterly instalments of ₹50 lakhs last instalment due in March 2023                            |   |
| 667.80                              | 100.00  | 767.80           | 100.00  | 875.00           | 100.00  | Repayble in Monthly Instalments of ₹8.33 lakhs (including interest) Last Instalment due on March 2027        | Exclusive Charge on Immovable Property commercial land and building situated 130, Sector-44, Gurgaon, Haryana and personel guarantee of promoters directors   |
| -                                   | -       | -                | 170.00  | 170.00           | 264.00  | Repayble in Monthly Instalments of ₹22.00 lakhs (including interest) Last Instalment due on Jan 2018         |   |
| -                                   | -       | -                | 119.35  | -                | -       | Repayble in Monthly Instalments of ₹16.13 lakhs and Last Instalment due on December 2017                     |   |
| 366.95                              | 50.00   | 429.17           | 50.00   | -                | -       | Repayble in Monthly Instalments of ₹4.15 lakhs and Last Instalment due on October 2026                       |   |
| -                                   | -       | -                | 202.13  | -                | -       | Repayble in Monthly Instalments of ₹22.25 lakhs and Last Instalment due on December 2017                     |   |
| 81.13                               | 54.07   | 136.36           | 54.07   | 190.18           | 54.07   | Repayble in equated Monthly Instalments and Last Instalment due on Feb 2020*                                 | Equitable mortgage on Property situated at 3/4 Jaypee Greens, Noida, Gautam Budha nagar, Uttar Pradesh  |
| 2.10                                | 1.63    | 3.91             | 1.63    | 5.55             | 1.63    |  |   |
| 67.97                               | 7.27    | 76.01            | 7.27    | 83.27            | 7.27    |  |   |



(₹ in lakhs)

| As at 31.03.2018                                     |         | As at 31.03.2017 |         | As at 01.04.2016 |         | Terms of Repayment   | Security  |
|--|---------|------------------|---------|------------------|---------|--|---|
| Non-Current  | Current | Non-Current      | Current | Non-Current      | Current |  |   |
| 720.00   | 136.00  | 856.00           | 136.00  | 992.00           | 128.00  | Repayable in unequal quarterly instalments of ₹32 lakhs to ₹56 lakhs commencing from August 2016 and last instalment due in November 2022. | Exclusive Charge on Fixed Assets of Sanand, Gujarat Unit, second charge on entire current assets (both present and future) at Sanand, Gujarat Unit. |
| 165.00   | 60.00   | 225.00           | 60.00   | -                | -       | Repayable in equal quarterly installments of ₹15 lakhs commencing from February 2017 and last installment due in November 2021.            |   |
| 82.72  | 27.57   | -                | -       | -                | -       | Repayable in equal quarterly installments of ₹501340.90 commencing from June 2018 and last installment due in June 2023.                   |   |
| 100.19   | 33.40   | -                | -       | -                | -       | Repayable in equal quarterly installments of ₹607227.27 commencing from June 2018 and last installment due in June 2023.                   |   |
| 142.39   | 47.46   | -                | -       | -                | -       | Repayable in equal quarterly installments of ₹862977.27 commencing from June 2018 and last installment due in June 2023.                   |   |
| 43.21  | 14.40   | -                | -       | -                | -       | Repayable in equal quarterly installments of ₹261886.36 commencing from June 2018 and last installment due in June 2023.                   |   |
| 59.01  | 6.56    | -                | -       | -                | -       | All loans have 36 monthly installments commencing from various dates and ending on various dates.  | Equitable mortgage on respective Vehicles   |
| 12.93  | 1.44    | -                | -       | -                | -       |  |   |
| 4.79   | 1.26    | 8.62             | 1.26    | -                | -       |  |   |
| 6.54   | 1.24    | 13.15            | 1.24    | -                | -       |  |   |
| -  | 0.86    | 2.24             | -       | 2.24             | 1.26    |  |   |
| -  | 0.99    | 2.37             | -       | 2.37             | 1.24    |  |   |
| 3,313.50   | 847.72  | 2,576.87         | 987.19  | 2,464.74         | 644.33  |  |   |
| Rupee Term loan from Financial Institution (Secured) |         |                  |         |                  |         |  |   |
| 24.39  | 5.14    | 30.00            | 5.14    | 35.68            | 5.14    | Repayable in Monthly Instalments of ₹0.81 lakhs (including interest) Last Instalment due on Nov 2021                                       | Equitable mortgage on Property situated at 1F - CS - 42 & 43 First Floor, Ansal Plaza, Vaishali, Ghaziabad, Uttar Pradesh.                          |
| 356.72   | 89.18   | -                | -       | -                | -       | Repayable in equated monthly instalments along with interest of ₹11.52 lakhs last instalment due in Feb 2022                               | Equitable Charge on Plant and Machinery being financed for plant situated at Plot No. 10 and 16 Sikandrabad.  |
| 123.24   | 30.81   | -                | -       | -                | -       | Repayable in equated monthly instalments along with interest of ₹3.92 lakhs last instalment due in Apr 2022                                |   |
| 504.35   | 125.13  | 30.00            | 5.14    | 35.68            | 5.14    |  |   |
| Total Term Loan-Secured                              |         |                  |         |                  |         |  |   |
| 3,817.84   | 972.84  | 2,606.87         | 992.33  | 2,500.41         | 649.47  |  | <b>Total</b>  |

**16 Other Financial Liabilities (Non Current)**

(₹ in lakhs)

| Particulars                           | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---------------------------------------|------------------|------------------|------------------|
| Security Deposits from Agents/Dealers |                  |                  |                  |
| Strategic Dealers                     | 588.61           | 930.00           | 850.00           |
| Other Deposits                        | 48.90            | 91.64            | 103.79           |
| <b>Total</b>                          | <b>637.51</b>    | <b>1,021.64</b>  | <b>953.79</b>    |

**17 Provisions (Non-Current)**

(₹ in lakhs)

| Particulars                          | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------------------------------------|------------------|------------------|------------------|
| Provision for Leave encashment       | 1.79             | 2.23             | 6.34             |
| Provision for Gratuity (refer note-) | 51.12            | 56.47            | 56.98            |
| <b>Total</b>                         | <b>52.91</b>     | <b>58.71</b>     | <b>63.32</b>     |

**18 Income Taxes | Deferred Tax Liabilities (net)**

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2016-17 is 21.34%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

**(a) Income tax expense / (benefits)**

(₹ in lakhs)

| Particulars                                       | For the year ended |               |
|---|--------------------|---------------|
|   | 31.03.2018         | 31.03.2017    |
| <b>Current tax :</b>                              |                    |               |
| Current tax (MAT)                                 | 456.60             | 343.25        |
| Tax refund / reversal pertaining to earlier years | 1.17               | 3.53          |
|   | <b>457.77</b>      | <b>346.78</b> |
| <b>Deferred tax :</b>                             |                    |               |
| Deferred tax                                      | 265.75             | 92.72         |
| MAT credit entitlement                            | (40.04)            | -             |
| (Restoration)/reversal of MAT credit entitlement  | -                  | -             |
| Tax provision/(reversal) for earlier years        | -                  | -             |
| <b>Total deferred tax</b>                         | <b>225.71</b>      | <b>92.72</b>  |
| <b>Total Tax expense / (benefit)</b>              | <b>683.48</b>      | <b>439.50</b> |

**A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:**

(₹ in lakhs)

| Particulars  | For the year ended |               |
|--|--------------------|---------------|
|  | 31.03.2018         | 31.03.2017    |
| Profit/loss before tax   | 2,139.48           | 1,318.99      |
| Enacted tax rate in India  | 34.608%            | 33.875%       |
| <b>Expected income tax expense / (benefit) at statutory tax rate</b> | <b>740.43</b>      | <b>446.80</b> |
| Depreciation under Income Tax Act                                    | (460.95)           | (322.00)      |
| Expenses not deductible in determining taxable profits               | 144.09             | 220.93        |
| Deductions allowed under tax Laws                                    | (3.09)             | (2.06)        |
| Others   | (3.93)             | (0.42)        |
| <b>Tax expense for the Current year</b>                              | <b>416.56</b>      | <b>343.25</b> |
| <b>MAT on PBT @ 21.34%</b>   | <b>456.60</b>      | <b>-</b>      |
| <b>Tax expense pertaining to current year</b>                        | <b>456.60</b>      | <b>343.25</b> |
| <b>Effective income tax rate</b>                                     | <b>21.34%</b>      | <b>26.02%</b> |

**Deferred tax assets / (liabilities)**

Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

(₹ in lakhs)

| Particulars                    | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------------------------------|------------------|------------------|------------------|
| Deferred tax liabilities (net) | (663.32)         | (397.57)         | (304.85)         |
| MAT Credit Entitlement         | 40.04            | -                | -                |
| <b>Total</b>                   | <b>(623.28)</b>  | <b>(397.57)</b>  | <b>(304.85)</b>  |

(₹ in lakhs)

| Deferred tax balance in relation to                              | As at 31.03.2017 | Recognised / reversed through P/L | Recognised in / reclassified from other OCI | As at 31.03.2018 |
|--|------------------|-----------------------------------|---|------------------|
| Property, plant and equipment                                    | (398.01)         | (286.03)                          | -   | (684.04)         |
| Provisions for employee benefit / loans, advances and guarantees | 0.44             | 20.28                             | -   | 20.72            |
| <b>Total</b>   | <b>(397.57)</b>  | <b>(265.75)</b>                   | <b>-</b>                                    | <b>(663.32)</b>  |

(₹ in lakhs)

| Deferred tax balance in relation to                              | As at 31.03.2016 | Recognised / reversed through P/L | Recognised in / reclassified from other OCI | As at 31.03.2017 |
|--|------------------|-----------------------------------|---|------------------|
| Property, plant and equipment                                    | (304.85)         | (93.16)                           | -   | (398.01)         |
| Provisions for employee benefit / loans, advances and guarantees | -                | 0.44                              | -   | 0.44             |
| <b>Total</b>   | <b>(304.85)</b>  | <b>(92.72)</b>                    | <b>-</b>                                    | <b>(397.57)</b>  |

**Movement in MAT credit entitlement:**

(₹ in lakhs)

| Particulars                                 | For the year ended |            |
|---|--------------------|------------|
|   | 31.03.2018         | 31.03.2017 |
| Balance at the beginning of year            | -                  | -          |
| Add: MAT credit entitlement during the year | 40.04              | -          |
| Less: MAT Credit availed during the year    | -                  | -          |
| <b>Balance at the end of year</b>           | <b>40.04</b>       | <b>-</b>   |

**The Company expects to utilize the MAT credit within a period of 15 years****19 Borrowings (current)**

(₹ in lakhs)

| Particulars                                | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Working capital loans from banks (secured) | 13,892.31        | 10,890.73        | 10,336.80        |
| <b>Total</b>                               | <b>13,892.31</b> | <b>10,890.73</b> | <b>10,336.80</b> |

**Working capital loan are secured by :-**

Working capital facilities availed are secured by first pari passu charge on entire current assets of the company and second pari passu charge on moveable fixed assets of the company. These credit facilities are further secured by personal guarantee of promoter-directors of the company.

**20 Trade Payables**

(₹ in lakhs)

| Particulars             | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------|------------------|------------------|------------------|
| Raw Material            | 3,111.71         | 5,167.35         | 3,490.12         |
| Other than Raw Material | 388.68           | 98.88            | 254.48           |
| <b>Total</b>            | <b>3,500.39</b>  | <b>5,266.23</b>  | <b>3,744.61</b>  |

Credit Terms of these Trade Payable varies from 0-90 days.

**21 Other financial liabilities (Current)**

(₹ in lakhs)

| Particulars   | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Current maturities of long-term borrowing (refer note 15) | 972.84           | 992.33           | 649.47           |
| Interest accrued but not due on borrowings                | 86.41            | 34.46            | 11.84            |
| <b>Total</b>  | <b>1,059.26</b>  | <b>1,026.79</b>  | <b>661.31</b>    |

**22 Other current liabilities**

(₹ in lakhs)

| Particulars                   | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------------|------------------|------------------|------------------|
| Advances from customers       | 220.49           | 671.56           | 615.09           |
| Statutory liabilities         | 25.49            | 170.02           | 117.01           |
| Unclaimed dividends           | 0.54             | 0.46             | -                |
| Creditors for fixed assets    | 532.36           | 240.54           | 176.50           |
| Other Outstanding Liabilities | 263.75           | 599.75           | 422.64           |
| <b>Total</b>                  | <b>1,042.63</b>  | <b>1,682.33</b>  | <b>1,331.24</b>  |

**23 Provisions (Current)**

(₹ in lakhs)

| Particulars                                     | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Provision for Leave encashment (refer note- 33) | 0.65                   | 0.35                   | 0.43                  |
| Provision for Corporate Social Responsibility   | 29.96                  | 25.42                  | 10.99                 |
| Bonus payable                                   | 19.49                  | 4.86                   | -                     |
| Excise Duty on Uncleared Goods                  | -                      | 464.91                 | 498.64                |
| Provision for Gratuity (refer note- 33)         | 14.93                  | 6.80                   | 5.62                  |
| <b>Total</b>                                    | <b>65.03</b>           | <b>502.33</b>          | <b>515.68</b>         |

**24 Revenue from operations**

(₹ in Lakhs)

| Particulars                     | For the Year ended |                  |
|---------------------------------|--------------------|------------------|
|                                 | 31.03.2018         | 31.03.2017       |
| <b>Sale of products:</b>        |                    |                  |
| Domestic turnover               | 83,862.70          | 66,123.00        |
| Export turnover                 | 84.36              | 43.44            |
| <b>A</b>                        | <b>83,947.06</b>   | <b>66,166.44</b> |
| <b>Other operating revenues</b> |                    |                  |
| Rent                            | 153.34             | 130.47           |
| Job Work                        | -                  | 58.05            |
| <b>B</b>                        | <b>153.34</b>      | <b>188.52</b>    |
| <b>Total (A+B)</b>              | <b>84,100.40</b>   | <b>66,354.96</b> |

**25 Other Income**

(₹ in Lakhs)

| Particulars                                | For the Year ended |               |
|--|--------------------|---------------|
|  | 31.03.2018         | 31.03.2017    |
| Interest Income earned on financial assets |                    |               |
| Bank deposits                              | 175.57             | 83.88         |
| Other Interest income                      | 3.03               | 122.99        |
| Profit on Sale of Assets                   | -                  | 46.67         |
| <b>Total</b>                               | <b>178.60</b>      | <b>253.54</b> |

**26.1 COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

| Particulars  | For the Year ended |                 |
|--|--------------------|-----------------|
|  | 31.03.2018         | 31.03.2017      |
| <b>Opening Stock :</b>   |                    |                 |
| Semi finished /finished goods  | 4,924.57           | 4,891.10        |
| Rejection & Scraps   | 433.13             | 390.17          |
| Work-in-progress   | 551.83             | 430.05          |
| <b>A</b>   | <b>5,909.53</b>    | <b>5,711.32</b> |
| <b>Closing stock :</b>   |                    |                 |
| Semi finished /finished goods  | 4,763.27           | 4,924.57        |
| Rejection & Scraps   | 480.80             | 433.13          |
| Work-in-progress   | 726.98             | 551.83          |
| <b>B</b>   | <b>5,971.04</b>    | <b>5,909.53</b> |
| <b>C (A-B)</b>   | <b>(61.51)</b>     | <b>(198.21)</b> |
| <b>Excise duty on stock of finished goods (net)(increase or (decrease) in E.D)</b> | <b>D</b>           | <b>(33.73)</b>  |
| <b>(C+D)</b>   | <b>(526.42)</b>    | <b>(231.94)</b> |

**26.2 Changes in inventories of finished goods, work-in-progress and stock in trade**

(₹ in Lakhs)

| Particulars                      | For the Year ended |                  |
|----------------------------------|--------------------|------------------|
|                                  | 31.03.2018         | 31.03.2017       |
| Indigenous Raw Material & stores | 70,763.77          | 49,366.42        |
| <b>Total</b>                     | <b>70,763.77</b>   | <b>49,366.42</b> |

**27 Employee benefits expense**

(₹ in Lakhs)

| Particulars   | For the Year ended |               |
|---|--------------------|---------------|
|   | 31.03.2018         | 31.03.2017    |
| Salaries and wages  | 873.17             | 936.48        |
| Contribution to provident and other funds ( refer note 33 ) | 38.81              | 27.36         |
| Provisions for Employees Benefits                           | 6.66               | 3.70          |
| Staff welfare expenses                                      | 31.33              | 26.71         |
| <b>Total</b>  | <b>949.97</b>      | <b>994.25</b> |

**28 Finance costs**

(₹ in Lakhs)

| Particulars                     | For the Year ended |                 |
|---------------------------------|--------------------|-----------------|
|                                 | 31.03.2018         | 31.03.2017      |
| Interest expenses on borrowings | 1,993.88           | 1,720.08        |
| Other borrowing costs           | 292.96             | 252.51          |
| <b>Total</b>                    | <b>2,286.85</b>    | <b>1,972.59</b> |

**29 Depreciation and amortization**

(₹ in Lakhs)

| Particulars       | For the Year ended |               |
|-------------------|--------------------|---------------|
|                   | 31.03.2018         | 31.03.2017    |
| Tangible assets   | 323.33             | 606.52        |
| Intangible assets | 4.16               | 5.92          |
| <b>Total</b>      | <b>327.49</b>      | <b>612.44</b> |

**30 Other expenses**

(₹ in Lakhs)

| Particulars                                | For the Year ended |                 |
|--|--------------------|-----------------|
|  | 31.03.2018         | 31.03.2017      |
| Power and fuel                             | 1,320.34           | 1,149.50        |
| Rent                                       | 20.62              | 14.60           |
| <b>Repairs and maintenance</b>             |                    |                 |
| Plant and equipment                        | 34.55              | 12.66           |
| Buildings                                  | 12.12              | 14.63           |
| Others                                     | 33.05              | 8.83            |
| Sales Promotion                            | 99.72              | 67.48           |
| Fee & Subscription                         | 23.24              | 19.27           |
| Insurance                                  | 23.14              | 14.39           |
| Carriage and freight                       | 472.78             | 347.58          |
| Job work and processing charges            | 18.27              | 51.66           |
| Commission on sales                        | 40.80              | 156.11          |
| Travelling and Conveyance                  | 128.13             | 87.81           |
| Legal or Professional Consultation Charges | 55.31              | 51.84           |
| Vehicle Running and Maintenance            | 33.83              | 36.85           |
| Security Services                          | 44.38              | 42.57           |
| Miscellaneous expenses                     | 147.08             | 216.40          |
| <b>Total</b>                               | <b>2,507.37</b>    | <b>2,292.19</b> |

Provision for CSR for FY 18 was ₹13.51 Lakhs ( previous year ₹14.43 Lakhs) is included in Legal &amp; Professional Expenses



**Auditors remuneration (excluding GST/Service tax) included in misc. expenses**

(₹ in Lakhs)

| Particulars                              | For the Year ended |             |
|--|--------------------|-------------|
|  | 31.03.2018         | 31.03.2017  |
| As Audit fees (including limited review) | 8.00               | 1.50        |
| For Tax audit fees                       | 1.00               | 0.24        |
| <b>Total</b>                             | <b>9.00</b>        | <b>1.74</b> |

**31 Earnings per share (EPS)**

(₹ in Lakhs)

| Particulars   | For the Year ended |               |
|---|--------------------|---------------|
|   | 31.03.2018         | 31.03.2017    |
| Profit/(Loss) attributable to Equity shareholders (₹ in crores) (A)                     | 1,456.00           | 879.49        |
| <b>Weighted average number of Equity shares for basic EPS (B)</b>                       | <b>103.04</b>      | <b>103.01</b> |
| Effect of Dilution :  |                    |               |
| Equity share outstanding as on March 31, 2018   | 105.01             | 103.01        |
| Weighted average number of Treasury shares held through Convertible Warrant             | 8.00               | -             |
| <b>Weighted average number of Equity shares adjusted for the effect of dilution (C)</b> | <b>113.01</b>      | <b>103.01</b> |
| Basic EPS (Amount in ₹) (A/B)   | 14.13              | 8.54          |
| Diluted EPS (Amount in ₹) (A/C)   | 12.88              | 8.54          |
| Face value per Share  | ₹10/-              | ₹10/-         |

**32 Segment reporting**

In accordance with the provisions of Ind AS 108 -Operating Segment, the operations of the company falls under manufacturing of Steel Tubes & Pipes and which is also considered to be the reportable segment by management.

**33 Employee Benefits**
**a) Defined Contribution Plans, Contribution to Defined Contribution Plans, recognized as an Expenses for the year is as under:**

| Particulars   | For the Year Ended<br>31-03-2018 | For the Year Ended<br>31-03-2017 |
|---|----------------------------------|----------------------------------|
| Employers' Contribution to Provident Fund (includes pension Fund) | 21,83,690                        | 18,27,758                        |
| Employer's Contribution to Employee State Insurance               | 16,97,268                        | 9,07,996                         |

**b) Defined Benefit Plans**

The Company has funded the Gratuity Liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to maximum of ₹20 Lakhs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 year.

The Plan in India is actually expose the Company to actuarial risk such as: Investment Risk, Interest Rate Risk, Longevity Risk and Salary Risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields, if the return on plan asset is below this rate, it will create a plan deficit.

**Interest Risk:** A decrease in bond interest rate will increase the plan Liability; however this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity Risk:** The present value of the defined benefit liability is calculated by the reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such the increase in the salary of plant participant will increase the plan liability.

There are no other post retirement benefit provided to employees

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2018 by Mr. Saket Singhal (Fellow- Institute of Actuaries of India). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

## Summary of Financial Results

**Executive Summary**

| <b>Amount Recognized in Statement of Financial Position at Period – End</b>            | <b>31/03/2017</b> | <b>31/03/2018</b> |
|--|-------------------|-------------------|
| Present value of Defined Benefit Obligation  | 63,27,210         | 66,38,455         |
| Fair value of Plan Assets  | --                | --                |
|  | <b>63,27,210</b>  | <b>66,38,455</b>  |
| Unrecognized Asset due to the Asset Ceiling  | --                | --                |
| Net Defined Benefit (Assets) / Liability Recognized in Statement of Financial Position | 63,27,210         | <b>66,38,455</b>  |

| <b>1. Change in Defined Benefit Obligation</b>     | <b>31/03/2017</b> | <b>31/03/2018</b> |
|--|-------------------|-------------------|
| a) Defined Benefit obligation, beginning of period | 62,60,126         | 63,27,210         |
| b) Interest Cost on DBO                            | 4,66,379          | 4,97,319          |
| c) Net Current Service Cost                        | 16,42,056         | 15,20,957         |
| d) Actual Plan Participants' Contributions         | --                | --                |
| e) Benefits Paid                                   | (3,03,000)        | (4,01,404)        |
| f) Past Service Cost                               | --                | --                |
| g) Changes in Foreign Currency Exchange Rates      | --                | --                |
| h) Acquisition /Business Combination / Divestiture | --                | --                |
| i) Losses / (Gains) on Curtailments / Settlements  | --                | --                |
| j) Actuarial (Gain)/Loss on obligation             | (17,38,351)       | (13,05,627)       |
| k) Defined Benefit Obligation, End of Period       | 63,27,210         | <b>66,38,455</b>  |

| <b>2. Change in Fair Value of Plan assets</b>        | <b>31/03/2017</b> | <b>31/03/2018</b> |
|--|-------------------|-------------------|
| a) Fair value of plan assets at the beginning        | --                | --                |
| b) Expected return on plan assets                    | --                | --                |
| c) Employer contribution                             | --                | --                |
| d) Actual Plan Participants' Contributions           | --                | --                |
| e) Actual Taxes Paid                                 | --                | --                |
| f) Actual Administration Expenses Paid               | --                | --                |
| g) Changes in Foreign Currency Exchange Rates        | --                | --                |
| h) Benefits paid                                     | --                | --                |
| i) Acquisition /Business Combination / Divestiture   | --                | --                |
| j) Assets Extinguished on Curtailments / Settlements | --                | --                |
| k) Actuarial (Gain)/Loss on Asset                    | --                | --                |
| l) Fair value of plan assets at the end.             | --                | --                |

| <b>3. Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at Period-End</b> | <b>31/03/2017</b> | <b>31/03/2018</b> |
|--|-------------------|-------------------|
| a) Service Cost  | 16,42,056         | 15,20,957         |
| b) Net Interest Cost   | 4,66,379          | 4,97,319          |
| c) Past Service Cost   | --                | --                |
| d) Administration Expenses   | --                | --                |
| e) (Gain)/Loss due to settlements / Curtailments / Terminations / Divestitures                       | --                | --                |
| f) Total Defined Benefit Cost/(Income) included in Profit & Loss                                     | 21,08,435         | <b>20,18,276</b>  |

| <b>4. Analysis of Amount Recognized in Other Comprehensive (Income)/Loss at Period - End</b> | <b>31/03/2017</b> | <b>31/03/2018</b> |
|--|-------------------|-------------------|
| a) Amount recognized in OCI, (Gain) / Loss Beginning of Period                               | --                | (17,38,351)       |
| b) Remeasurements Due to :   |                   |                   |
| 1.Effect of Change in Financial Assumptions  | (3,36,978)        | (2,70,077)        |
| 2.Effect of Change in Demographic Assumptions  | 4,499             | --                |
| 3.Effect of Experience Adjustments   | (14,05,872)       | (10,35,550)       |
| 4.(Gain)/Loss on Curtailments/Settlements  | --                | --                |
| 5.Return on Plan Assets (Excluding Interest)   | --                | --                |
| 6.Changes in Asset Ceiling   | --                | --                |
| c) Total Remeasurements Recognised in OCI (Gain)/Loss  | (17,38,351)       | (13,05,627)       |
| d) Amount Recognized in OCI (Gain)/Loss, End of Period                                       | (17,38,351)       | (30,43,978)       |

|            |  |                   |                   |
|------------|--|-------------------|-------------------|
| <b>5.</b>  | <b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income)</b> | <b>31/03/2017</b> | <b>31/03/2018</b> |
| a)         | Amount recognized in P&L, End of Period  | 21,08,435         | 20,18,276         |
| b)         | Amount recognized in OCI, End of Period  | (17,38,351)       | (13,05,627)       |
| c)         | Total Net Defined Benefit Cost/(Income) Recognized at Period-End   | 3,70,084          | 7,12,649          |
| <b>6.</b>  | <b>Reconciliation of Balance Sheet Amount</b>  | <b>31/03/2017</b> | <b>31/03/2018</b> |
| a)         | Balance Sheet (Asset)/Liability, Beginning of Period   | 62,60,126         | 63,27,210         |
| b)         | True-up  | --                | --                |
| c)         | Total Charge/(Credit) Recognised in Profit and Loss  | 21,08,435         | 20,18,276         |
| d)         | Total Remeasurements Recognised in OC (Income)/Loss  | (17,38,351)       | (13,05,627)       |
| e)         | Acquisition /Business Combination / Divestiture  | --                | --                |
| f)         | Employer Contribution  | --                | --                |
| g)         | Benefits Paid  | (3,03,000)        | (4,01,404)        |
| h)         | Other Events   | --                | --                |
| i)         | Balance Sheet (Asset)/Liability, End of Period   | 63,27,210         | 66,04,611         |
| <b>7.</b>  | <b>Actual Return on Plan Assets</b>  | <b>31/03/2017</b> | <b>31/03/2018</b> |
| a)         | Expected return on plan assets   | --                | --                |
| b)         | Remeasurement on Plan Assets   | --                | --                |
| c)         | Actual Return on Plan Assets   | --                | --                |
| <b>8.</b>  | <b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period</b>                       | <b>31/03/2017</b> | <b>31/03/2018</b> |
| a)         | Unrecognised Asset, Beginning of Period  | --                | --                |
| b)         | Interest on Unrecognised Asset Recognised in P&L   | --                | --                |
| c)         | Other changes in Unrecognised Asset due to the Asset Ceiling   | --                | --                |
| d)         | Unrecognized Asset, End of Period  | --                | --                |
| <b>9.</b>  | <b>The Major Categories of Plan Assets</b>   | <b>31/03/2017</b> | <b>31/03/2018</b> |
| a)         | Government of India Securities (Central and State)   | --                | --                |
| b)         | High Quality Corporate Bonds (Including Public Sector Bonds)   | --                | --                |
| c)         | Equity Shares of listed companies  | --                | --                |
| d)         | Cash (Including Bank Balance, Special Deposit Scheme)  | --                | --                |
| e)         | Funds Managed by Insurer   | --                | --                |
| f)         | Others   | --                | --                |
|            | Total  | --                | --                |
| <b>10.</b> | <b>Current / Non Current Bifurcation</b>   | <b>31/03/2017</b> | <b>31/03/2018</b> |
| a)         | Current liability  | 6,79,767          | 14,92,517         |
| b)         | Non-Current liability  | 56,47,443         | 51,12,094         |
| c)         | Net Liability  | 63,27,210         | 66,04,611         |
| <b>11.</b> | <b>Defined Benefit Obligation by Participant Status</b>  | <b>31/03/2018</b> |                   |
| a)         | A. Actives   | 66,38,455         |                   |
| b)         | B. Vested Deferreds  | --                |                   |
| c)         | C. Retirees  | --                |                   |
| d)         | Total Defined Benefit Obligation   | 66,38,455         |                   |
| <b>12.</b> | <b>Sensitivity Analysis</b>  |                   |                   |
| a)         | Defined Benefit Obligation – Discount Rate +100 Basis Points   | (5,81,422)        |                   |
| b)         | Defined Benefit Obligation – Discount Rate -100 Basis Points   | 6,96,272          |                   |
| c)         | Defined Benefit Obligation – Salary Escalation Rate +100 Basis Points                                    | 7,13,377          |                   |
| d)         | Defined Benefit Obligation – Salary Escalation Rate -100 Basis Points                                    | (6,03,753)        |                   |

**6. Actuarial Valuation Assumptions Used for Valuation**

| Financial Assumptions Used to Determine the Profit & Loss Charge | 31/03/2017 | 31/03/2018 |
|--|------------|------------|
| a) Discounting Rate  | 7.45 P.A.  | 7.86 P.A.  |
| b) Salary Escalation Rate  | 4.50 P.A.  | 4.50 P.A.  |
| c) Expected Rate of Return on Assets                             | 0.00 P.A.  | 0.00 P.A.  |

| Demographic Assumptions Used to Determine the Defined Benefit | 31/03/2017         | 31/03/2018 |
|---|--------------------|------------|
| a) Retirement Age   | 60 Years           | 60 Years   |
| b) Mortality Table  | IALM [2006 – 2008] |            |
| c) Employee Turnover / Attrition Rate                         |                    |            |
| 18 to 30 Years  | 2.00 %             | 2.00 %     |
| 30 to 45 Years  | 2.00 %             | 2.00 %     |
| Above 45 Years  | 1.00 %             | 1.00 %     |

**34 Financial instruments****A) Capital Risk Management**

The company's capital requirements are mainly to fund its expansion, working capital and strategic acquisition. The principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowings from bank and the funds from capital market. The company is not subject to any externally imposed capital requirements.

The company regularly consider other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The company monitors its capital gearing ratio, which net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other cash and cash equivalents.

| Particulars  | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2016 |
|--|------------------|------------------|------------------|
| Long term borrowings                                     | 397,376,449      | 319,665,624      | 321,054,000      |
| Current maturities of long term debts                    | 97,284,471       | 99,233,000       | 64,947,000       |
| short term bottowings                                    | 1,389,231,012    | 1,089,072,856    | 1,033,680,000    |
| Less: Cash and Cash equivalents                          | (6,120,700)      | (9,746,840)      | (24,976,000)     |
| Less: Bank balances other than cash and cash equivalents | (116,516,091)    | (149,016,631)    | (102,196,469)    |
| Net Debt   | 1,76,12,55,151   | 1,34,92,08,009   | 1,29,25,08,531   |
| Total Equity   | 1,053,640,124    | 751,154,087      | 669,433,294      |
| Gearing Ratio  | 1.67             | 1.80             | 1.93             |

- i) Equity includes all capital and reserves of the Company that are managed as capital.
- ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 15 and 19.

**B) Financial risk management**

The Company has an Audit & Risk Management Committee established by its Board of Directors for the Risk Management Framework and developing and monitoring the Company's risk management policy. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

**C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates.

**D) Commodity price risk:**

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by the company. These prices may be influenced by factors such as supply and demand, production costs (including the cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company purchases the steel and other building products in the open market from third parties in prevailing market price. The Company is therefore subject to fluctuations in the prices of HR Coils, Zinc etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

**E) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by keeping a close watch on the market variables and time to time negotiations with the Bankers for reduction of rate of interest.

**F) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

**Trade receivables:**

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

**G) Liquidity risk management**

Liquidity risk refers to the risk of financial distress extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for: term operational needs as well as for capex purposes. The Company generates sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continue monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**H) Fair valuation of financial instruments**

Carrying value & fair value of financial instruments as on 31.03.2018, 31.03.2017 & 01.04.2016 is same and their is no difference.

**35 Operating Lease**
**a) As Lessor:**

The company has entered into leasing arrangements for renting of a building admesuring approximately 1262 Square meter at the rate of ₹870/- per SM monthly For the period of 12 months, which is renewable.

**Disclosure in respect of assets (building) given on operating lease:**

| Particulars                     | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2016 |
|---------------------------------|------------------|------------------|------------------|
| Gross carrying amount of assets | 37,180,995       | 37,180,995       | 32,042,870       |
| Accumulated Depreciation        | 6,176,171        | 5,722,762        | -                |
| Depreciation for the year       | 453,409          | 1,273,819        | -                |

**b) As Lessee:**

Various building have been taken on operating lease with lease term for 11 months for office premises, storage space & employee residence which are renewable on a periodic basis by mutual consent of both parties. All the operating lease are cancelable by either parties for any reason by giving a prior notice. There is no restriction imposed by lease aggrements, such as those concerning dividends, additional debts.

**Lease payments recognised under rent expenses is as follows:**

| Particulars                                   | For the year ended<br>31-03-2018 | For the year ended<br>31-03-2017 |
|---|----------------------------------|----------------------------------|
| Minimum lease payment made on operating lease | 2,062,056                        | 1,459,794                        |



**36 Related party disclosures**

|   |   |   |   |
|---|---|---|---|
| A | Name of Related Parties and nature of relationship: |   |   |
|   | 1   | Associate enterprise over which key management personnels and their relative exercise significant influence | 1. Hitech Agro Vision Pvt Ltd<br>2. AKS Buildcon Pvt Ltd<br>3. HTL Ispat Pvt Ltd<br>4. Gujarat Hitech Steel Pvt Ltd   |
|   | 2   | Subsidiaries  | 1. HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary)  |
|   | 3   | Key Management Personnel (KMP)  | 1. Sh. Ajay Kumar Bansal as Managing Director<br>2. Sh. Anish Bansal as Whole time Director<br>3. Sh. Arvind Bansal, Chief Financial Officer<br>4. Sh. Arun Sharma, CS & Compliance Officer |
|   | 4   | Relatives of Key Management Personnel   | 1. Vipul Bansal is as Relatives of Managing Director<br>2. Rakesh Bansal is as Relatives of Managing Director   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |
|   |   |   |   |

**B Transactions with related parties & Outstanding balance**

(Rs in Lakhs)

| Particulars |  |        | Value of Transaction |            |            |
|-------------|--|--------|----------------------|------------|------------|
|             |  |        | FY 2017-18           | FY 2016-17 | FY 2015-16 |
| 1           | Remuneration paid to Key Management Personnel                |        | 103.38               | 63.85      | 51.36      |
| 2           | Interest paid to Key Management Personnel                    |        | -                    | 9.88       | 29.53      |
| 3           | Outstanding balance of Key Management Personnel              | Cr Bal | -                    | 424.91     | 235.43     |
| 4           | Salary paid to Relatives of Key Management Personnel         |        | -                    | 24         | 6          |
| 5           | Interest paid to Relatives of Key Management Personnel       |        | -                    | 4.81       |            |
| 6           | Outstanding balance of Relatives of Key Management Personnel | Cr Bal |                      | 59.37      |            |
| 7           | Interest paid to Related Entities                            |        | 7.32                 | 6.81       | 8.19       |
| 8           | Interest earned from Wholly owned subsidiary                 |        | 50.00                | 116.32     |            |
| 9           | Outstanding balance of Wholly owned subsidiary               |        | 215.62               | 619.28     |            |

In respect of above parties there is no provision for doubtful debt as on March 31st, 2018 and no amount is written off or written back during the year in respect of debt/loans and advances due from/to them.

Credit facilities of the company is further is collaterally secured by the personal gaurantee of the Promoter Directors as declared in note 15 & 19

**37 Contingent liabilities:**

(Rs in Lakhs)

|   | As at 31 March 2018                                       | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---------------------|---------------------|
| Corporate Guarantee given for Subsidiaries      | To the extent of their secured working capital facilities |                     |                     |
| Disputed UP Valud Added Tax Demand <sup>^</sup> | 54.94   | 54.94               | 54.94               |
| Bank Guarantee relating to Entry Tax*           | 128.98  | 128.98              | 128.98              |
| Performance Bank Guarantee                      | 36.09   | 15.10               | 371.00              |
| Total   | 220.01  | 199.02              | 554.92              |

<sup>^</sup> Refer item (vii) of the Independent Audit Report

\* Relating to Entry Tax imposed by UP VAT Authorities during the FY 12 & petition thereof is pending with Hon'ble Allahabad High Court. The company is of the opinion that eventually no liability shall accrue to the company in this matter.

**38 Commitments**

(Rs in Lakhs)

| Particulars                            | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|---------------------|
| Estimated value of capital commitments | 27.24               | -                   | 11.58               |
| <b>Total</b>                           | <b>-</b>            | <b>-</b>            | <b>11.58</b>        |

**39 First time adoption Ind AS reconciliations**
**A. Reconciliations of Consolidated Balance Sheet**

(₹ in Lakhs)

| DESCRIPTION                           | As at 31.03.2017            |                                 |                      | As at 31.03.2016            |                                 |                      |
|---------------------------------------|-----------------------------|---------------------------------|----------------------|-----------------------------|---------------------------------|----------------------|
|                                       | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS |
| <b>I ASSETS</b>                       |                             |                                 |                      |                             |                                 |                      |
| <b>Non-Current Assets</b>             |                             |                                 |                      |                             |                                 |                      |
| (a) Property, Plant & Equipments      | 6,659.97                    | -                               | 6,659.97             | 5,511.69                    | -                               | 5,511.69             |
| (b) Capital Work-in-Progress          | 301.16                      | -                               | 301.16               | 651.19                      | -                               | 651.19               |
| (c) Investment Property               | -                           | -                               | -                    | -                           | -                               | -                    |
| (d) Goodwill                          | -                           | -                               | -                    | -                           | -                               | -                    |
| (e) Other Intangible assets           | 10.23                       | -                               | 10.23                | 4.93                        | -                               | 4.93                 |
| (f) Financial Assets                  |                             |                                 |                      |                             |                                 |                      |
| (i) Investments                       | 301.10                      | -                               | 301.10               | -                           | -                               | -                    |
| (ii) Loans                            | 1,223.70                    | 354.00                          | 869.70               | 510.57                      | 265.28                          | 245.29               |
| (iii) Others (to be specified)        |                             | -                               | -                    |                             | -                               | -                    |
| (g) Deferred tax assets (net)         |                             | -                               | -                    |                             | -                               | -                    |
| (h) Other non-current assets          | -                           | (354.00)                        | 354.00               | -                           | (265.28)                        | 265.28               |
| <b>Total Non-Current Asset</b>        | <b>8,496.16</b>             | <b>-</b>                        | <b>8,496.16</b>      | <b>6,678.38</b>             | <b>-</b>                        | <b>6,678.38</b>      |
| <b>Current Assets</b>                 |                             |                                 |                      |                             |                                 |                      |
| (a) Inventories                       | 11,563.76                   | -                               | 11,563.76            | 10,172.09                   | -                               | 10,172.09            |
| (b) Financial Assets                  |                             |                                 |                      |                             |                                 |                      |
| (i) Investments                       | -                           | -                               | -                    | -                           | -                               | -                    |
| (ii) Trade receivables                | 7,826.54                    | -                               | 7,826.54             | 6,749.85                    | -                               | 6,749.85             |
| (iii) Cash and cash equivalents       | 1,587.63                    | 1,490.17                        | 97.47                | 1,271.73                    | 1,021.96                        | 249.76               |
| (iv) Bank balances                    | -                           | (1,490.17)                      | 1,490.17             | -                           | (1,021.96)                      | 1,021.96             |
| (v) Loans                             | -                           | -                               | -                    | 3,071.78                    | 3,071.78                        | -                    |
| (vi) Others (to be specified)         | -                           | -                               | -                    | -                           | -                               | -                    |
| (c) Current Tax Assets (Net)          | -                           | -                               | -                    | -                           | -                               | -                    |
| (d) Other current assets              | 2,272.59                    | -                               | 2,272.59             |                             | (3,071.78)                      | 3,071.78             |
| <b>Total Current Assets</b>           | <b>23,250.52</b>            | <b>-</b>                        | <b>23,250.52</b>     | <b>21,265.45</b>            | <b>-</b>                        | <b>21,265.45</b>     |
| <b>Total Assets</b>                   | <b>31,746.68</b>            | <b>-</b>                        | <b>31,746.68</b>     | <b>27,943.83</b>            | <b>-</b>                        | <b>27,943.83</b>     |
| <b>II EQUITY AND LIABILITIES:</b>     |                             |                                 |                      |                             |                                 |                      |
| <b>Shareholders Funds</b>             |                             |                                 |                      |                             |                                 |                      |
| (a) Equity Share Capital              | 1,030.11                    | -                               | 1,030.11             | 1,030.11                    | -                               | 1,030.11             |
| (b) Other Equity                      | 6,449.37                    | (32.08)                         | 6,481.43             | 5,601.94                    | (62.29)                         | 5,664.22             |
| <b>Total Equity</b>                   | <b>7,479.48</b>             | <b>(32.08)</b>                  | <b>7,511.54</b>      | <b>6,632.05</b>             | <b>(62.29)</b>                  | <b>6,694.33</b>      |
| <b>Non-Current Liabilities</b>        |                             |                                 |                      |                             |                                 |                      |
| (a) Financial Liabilities             |                             |                                 |                      |                             |                                 |                      |
| (i) Borrowings                        | 3,198.06                    | 1.40                            | 3,196.66             | 3,210.54                    | -                               | 3,210.54             |
| (ii) Other financial liabilities      | 1,021.64                    | -                               | 1,021.64             | 953.79                      | -                               | 953.79               |
| (b) Provisions                        | 58.71                       | -                               | 58.71                | 63.32                       | -                               | 63.32                |
| (c) Deferred tax liabilities (Net)    | 397.57                      | -                               | 397.57               | 304.85                      | -                               | 304.85               |
| (d) Other non-current liabilities     | -                           | -                               | -                    | -                           | -                               | -                    |
| <b>Total Non-Current Liabilities</b>  | <b>4,675.98</b>             | <b>1.40</b>                     | <b>4,674.58</b>      | <b>4,532.50</b>             | <b>-</b>                        | <b>4,532.50</b>      |
| <b>Current Liabilities</b>            |                             |                                 |                      |                             |                                 |                      |
| <b>(a) Financial Liabilities</b>      |                             |                                 |                      |                             |                                 |                      |
| (i) Short-Term Borrowings             | 10,890.73                   | -                               | 10,890.73            | 10,336.80                   | -                               | 10,336.80            |
| (ii) Trade payables                   | 5,266.23                    | -                               | 5,266.23             | 3,744.61                    | -                               | 3,744.61             |
| (iii) Other financial liabilities     |                             | (1,026.79)                      | 1,026.79             |                             | (661.31)                        | 661.31               |
| (b) Other current liabilities         | 2,709.11                    | 1,026.79                        | 1,682.33             | 1,992.55                    | 661.31                          | 1,331.24             |
| (c) Provisions                        | 725.16                      | 222.83                          | 502.33               | 705.34                      | 189.66                          | 515.68               |
| (d) Current Tax Liabilities (Net)     |                             | (192.15)                        | 192.15               | -                           | (127.38)                        | 127.38               |
| <b>Total Current Liabilities</b>      | <b>19,591.23</b>            | <b>30.68</b>                    | <b>19,560.55</b>     | <b>16,779.29</b>            | <b>62.29</b>                    | <b>16,717.01</b>     |
| <b>Total Liabilities</b>              | <b>24,267.21</b>            | <b>32.08</b>                    | <b>24,235.12</b>     | <b>21,311.79</b>            | <b>62.29</b>                    | <b>21,249.51</b>     |
| <b>Total Equity &amp; Liabilities</b> | <b>31,746.69</b>            | <b>-</b>                        | <b>31,746.67</b>     | <b>27,943.84</b>            | <b>-</b>                        | <b>27,943.84</b>     |

**B. Reconciliation of total comprehensive income for the year ended March 31, 2017**

(₹ in Lakhs)

| Particulars   | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS |
|---|-----------------------------|---------------------------------|----------------------|
| <b>I</b> Revenue from operations  | 66,354.96                   | -                               | 66,354.96            |
| Less: Excise Duty   | 7,218.96                    | 7,218.96                        | -                    |
| <b>Income From Operations (Net)</b>   | <b>59,136.00</b>            | <b>(7,218.96)</b>               | <b>66,354.96</b>     |
| <b>II</b> Other income  | 253.54                      | -                               | 253.54               |
| <b>III Total income (I + II)</b>  | <b>59,389.54</b>            | <b>(7,218.96)</b>               | <b>66,608.50</b>     |
| <b>IV Expenses:</b>   |                             |                                 |                      |
| Cost of materials consumed  | 49,366.42                   | -                               | 49,366.42            |
| Purchases of stock-in-trade   | 3,064.60                    | -                               | 3,064.60             |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | (231.94)                    | -                               | (231.94)             |
| Employee benefits expense   | 994.25                      | -                               | 994.25               |
| Finance costs   | 1,973.99                    | 1.40                            | 1,972.59             |
| Depreciation and Amortization Expenses  | 612.44                      | -                               | 612.44               |
| Excise Duty Expense   | -                           | (7,218.96)                      | 7,218.96             |
| Other expenses  | 2,292.19                    | -                               | 2,292.19             |
| <b>Total expenses</b>   | <b>58,071.94</b>            | <b>(7,217.56)</b>               | <b>65,289.50</b>     |
| <b>V Profit before exceptional items and tax (III-IV)</b>                     | <b>1,317.60</b>             | <b>(1.39)</b>                   | <b>1,318.99</b>      |
| <b>VI Exceptional items</b>   | -                           | -                               | -                    |
| <b>VII Profit/(loss) before tax (V-VI)</b>                                    | <b>1,317.60</b>             | <b>(1.39)</b>                   | <b>1,318.99</b>      |
| <b>VIII Tax expense/(benefit):</b>  |                             |                                 |                      |
| Current tax   | 342.79                      | (0.45)                          | 343.25               |
| Deferred tax  | 92.72                       | -                               | 92.72                |
| Previous Year Adjustments   | 3.53                        | -                               | 3.53                 |
|   | <b>439.04</b>               | <b>(0.45)</b>                   | <b>439.50</b>        |
| <b>IX Profit/(loss) for the years (VII-VIII)</b>                              | <b>878.56</b>               | <b>(0.94)</b>                   | <b>879.49</b>        |
| <b>Total Other comprehensive income / (loss) (A+B)</b>                        | -                           | -                               | -                    |
| <b>XI Total comprehensive income / (loss) (IX + X)</b>                        | <b>878.56</b>               | <b>(0.94)</b>                   | <b>879.49</b>        |
| <b>XII Earnings per equity share of Re. 1 each (refer note 34)</b>            |                             |                                 |                      |
| Basic   |                             |                                 |                      |
| Diluted   |                             |                                 |                      |

**C. Effects of IND AS adoption on Total Equity**

(₹ in Lakhs)

|  | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| Total of Equity under IGAPP                                  | 7,479.48         | 6,632.05         |
| Effect of financial instrument in accordance with Ind AS 109 | 1.40             | -                |
| Proposed Dividend & Tax                                      | 31.14            | 62.29            |
| Tax Impact on above  | (0.46)           | -                |
| Total of Equity under IND AS                                 | 7,511.54         | 6,694.33         |

**D. Effects of IND AS adoption on Cash Flows for year ended 31 March 2017**

(₹ in Lakhs)

|   | Amount as per previous GAAP | Effects of transition to Ind AS | Amount as per Ind AS |
|---|-----------------------------|---------------------------------|----------------------|
| Net cash generated from/(used in) operating activities    | 3,961.40                    | 41.86                           | 3,919.54             |
| Net cash generated from/(used in) investing activities    | (2,425.40)                  | 421.22                          | (2,846.62)           |
| Net cash generated from/(used in) financing activities    | (1,220.09)                  | 5.14                            | (1,225.23)           |
| Net increase/(decrease) in cash and cash equivalents      | 315.91                      | 468.22                          | (152.31)             |
| Cash and cash equivalents at start of year/period         | 1,271.73                    | 1,021.97                        | 249.76               |
| <b>Cash and cash equivalents at close of year/ period</b> | <b>1,587.63</b>             | <b>1,490.19</b>                 | <b>97.45</b>         |

**E. Notes to the First Time Adoption of Ind AS to the Reconciliations of Standalone Financial Statements**
**i) Proposed dividend**

Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date, but before the approval of the Financial Statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the General Meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) of ₹31.14 Lakhs as at March 31, 2017 (April 01, 2016: 62.29 Lakhs) included under current provisions has been reversed with corresponding adjustment to Retained earnings. Consequently, the total equity has increased by an equivalent amount.

**ii) Deferred tax**

Under IGAAP, deferred tax accounting was done using the income statement approach which focuses on differences between taxable profit and accounting profit for the period. Ind AS requires entities to account for deferred taxes using the Balance Sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred taxes on temporary differences which were not required to be recorded under IGAAP.

In addition, the various transitional adjustments have led to deferred tax implications which the Company has accounted for.

**iii) Excise duty**

Under IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive excise duty. Excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses. There is no impact on the total equity and profit.

Post applicability of Good & Service Tax ( GST ) w.e.f. 1st July 2017, revenue from operations are disclosed net of GST. Accordingly the revenue from operations and excise duty expense for the year ended 31.03.2018 & 31.03.2017 are not comparable with previous periods presented in the results.

For better understanding figures of revenue from operations net of GST & excise duty is given below :-

(₹ in Lakhs)

| Particulars                                      | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|--|----------------------------------|----------------------------------|
| Revenue from Operations                          | 84,100.40                        | 66,354.96                        |
| Less : Excise Duty                               | 1,948.84                         | 7,218.96                         |
| Revenue from Operations net of GST & Excise Duty | 82,151.56                        | 59,136.00                        |

**iv) Re Groupings**

As per the requirement Ind AS, we need to do certain re-groupings in the Balance Sheet from the previous requirement of IGAAP. However it does not have any impact on Profitability | Equity.

**40 Additional Information**

(₹ in Lakhs)

| Particulars                    | As at 31 March<br>2018 | As at 31 March<br>2017 | As at 31 March<br>2016 |
|--------------------------------|------------------------|------------------------|------------------------|
| a CIF Value of Imports         | -                      | -                      | 1,551.17               |
| b Foreign Currency Earnings    | -                      | -                      | -                      |
| c Foreign Currency Expenditure | 50.28                  | 19.31                  | 8.97                   |

**As per our report of even date  
For A.N. Garg & Company**

Chartered Accountants  
ICAI Regn No. 004616N

**A.N. Garg**

Partner  
Membership No. 083687  
Place: New Delhi  
Date: May 22, 2018

**For and on behalf of Board of Directors**

**Ajay Kumar Bansal**  
Managing Director  
DIN : 01070123

**Arvind Bansal**  
Chief Financial Officer

**Anish Bansal**  
Director  
DIN : 00670250

**Arun Kumar**  
Company Secretary

**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 34TH ANNUAL GENERAL MEETING**

**Notice** is hereby given that the Thirty Fourth Annual General Meeting of the Members of Hi- Tech Pipes Limited will be held on Monday, the 16th day of July, 2018 at 10:30 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, 2018; the Reports of Board of Directors' and Auditors' thereon.
2. To declare Dividend of ₹0.25/- per equity share for the Financial Year ended on March 31, 2018.
3. To appoint a Director in place of Mr. Anish Bansal, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **To approve raising of additional capital upto an amount not exceeding by ₹100 cr.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 41, 42, 62(1)(c) and 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder including any amendments thereto or re-enactment thereof, for the time being in force and applicable provisions, if any, of the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Companies Act, 2013) (collectively, the "Companies Act"), the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing agreements entered into with the stock exchanges and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015, the provisions of the issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 or the Depository Receipt Scheme, 2014, the provisions of the Foreign Exchange Management Act, 1999, ("FEMA") and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Government of India ("GoI"), the stock exchanges and / or any other competent governmental or regulatory authorities from time to time to the extent applicable, and subject to such approvals, permissions, consents and

sanctions as may be necessary from SEBI, Stock Exchanges, RBI, GoI and any other governmental or regulatory authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of equity shares of the Company of face value ₹10/- each ("Equity Shares"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in one or more foreign markets and/or domestic market, by way of one or more public and/or private offerings and/or on preferential allotment basis including Qualified Institutions Placement ("QIP") or any combination thereof, through issue of prospectus and /or placement document and/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations, in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹100.00 Crore (Rupees One Hundred Crore) or equivalent thereof, in one or more foreign currency and/or Indian rupees, inclusive of such



premium as may be fixed on such Securities by offering the Securities through public offer(s) or private placement(s) or a combination thereof, at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company (the "Issue")."

**"RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company,
- (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects; and
- (c) Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate re-organisation or restructuring."

**"RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time."

**"RESOLVED FURTHER THAT** any issue of Eligible Securities made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations (the "QIP Floor Price"). The Company may, however, in accordance with applicable law, also offer a discount of not more than 5% (Five Percent) or such percentage as permitted under applicable law on the QIP Floor Price. "

**"RESOLVED FURTHER THAT** in the event that Equity Shares are issued to QIBs by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as Eligible Securities and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holder of Eligible Securities become eligible to apply for

Equity Shares, as may be determined by the Board."

**"RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 or the Depository Receipt Scheme, 2014, as the case may be, (including any amendments thereto or re-enactment thereof, for the time being in force) or as may be permitted under applicable law."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Securities or Equity Shares on conversion of Securities, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities or Equity Shares, as the case may be, on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, debenture trustees and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies."

**5. To consider and approve remuneration payable to M/s S. Shekhar & Co., Cost Accountants appointed as Cost Auditors of the Company for FY 2018-19 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) thereof for the time being in force, M/s S. Shekhar & Co, the Cost Accountants be and is hereby appointed as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, 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 is/are hereby authorized jointly/severally to do all acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**For Hi-Tech Pipes Limited**

Place : New Delhi  
Date : 22.05.2018

**Ajay Kumar Bansal**  
Managing Director

**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 and forms part of this notice.

Relevant details of the Director seeking re-appointment under item no. 3 as require under Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015 and SS-2 on General Meeting issued by Institute of Company Secretaries of India 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/Proxies are requested to bring their admission slip duly filled in and signed along with copy of the report and accounts to Annual General Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write Folio No. in the attendance slip for attending meeting.
6. 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.
7. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
8. 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.

9. Relevant documents referred to in the Notice are open for inspection by the Members at the Registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours up to the date of the Meeting.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from **07th July, 2018 to 15th July, 2018** (Both Days Inclusive).
- 10A. The dividend as recommended by the Board of Directors of Company, if declared at the Annual General Meeting will be paid within 30 days to those member whose names are appearing on company's Register of members.
11. Members desirous of seeking any information/clarification(s) concerning the Accounts or operations of the Company are requested to address their queries in writing to the Company Secretary at the registered office of the company, atleast 7 days prior to the date of the meeting, so that the same may be attended appropriately.
12. Under Section 72 of the Companies Act, 2013, members are entitled to make nomination in respect of the Shares held by them in physical mode, if any. Members desirous of making nomination are requested to send their request in Form SH-13 as per Companies Act, 2013 to the Company's RTA.
13. Members holding Shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
14. 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.
15. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
16. 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.
17. 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 made thereunder and Secretarial Standards issued by the Institute of Company Secretaries of India on General Meeting, 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 Participant(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 and Proxy Form is being sent to all members in the permitted mode.

18. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2018 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)

19. 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.

20. The Remote E-voting period for all items of business contained in this Notice shall commence from **Friday, the 13th Day of July, 2018 at 9.00 a.m.** and will end on **Sunday, the 15th Day of July, 2018 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 **06th Day of July, 2018**, 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 **06th Day of July, 2018**.

21. The Board of Directors has appointed **M/s. Arun Kumar Gupta & Associates, Practicing 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.

22. The Results of Remote 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.

23. 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.

24. The Route Map of the venue of the Annual General Meeting forms part of this Notice and is annexed.

**25. 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 13th Day of July, 2018 at 9.00 a.m. and ends on Sunday the 15th Day of July, 2018 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 06th Day of July, 2018 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   | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders).</p> <p>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.</p> <p>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.</p> |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB) | <p>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.</p> <p>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).</p>   |

- 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 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)

xxii) Any Person who acquires shares and become member of the Company after 15th July, 2018 i.e. Benpos date considered for dispatch of Notice and holding shares as on cut-off date i.e. 6th July, 2018 may obtain ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com)

**For Hi-Tech Pipes Limited**

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

Place : New Delhi  
 Date : 22.05.2018

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



**ANNEXURE TO NOTICE:**
**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS:**
**ITEM NO. 4**

This special resolution contained in the Notice under Item No. 10 is intended to enable the Board to create, offer, issue and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Non-convertible Debentures and such other securities as stated in the resolution (the "Securities"), for an aggregate amount not exceeding ₹100 Crore (Rupees One Hundred Crore) or its equivalent in any foreign currency, by way of one or more public and/or private offerings, and/or on preferential allotment basis including Qualified Institutions Placement ("QIP") or any combination thereof, through issue of prospectus and /or placement document and/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations, in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board, at such price and on such terms and conditions as may be deemed appropriate by the Board (which term shall be deemed to include any Committee thereof which the Board may have constituted) at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the Issue.

Further, if any issue of securities is made by way of QIP, the Board may also offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as Eligible Securities and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holder of Eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board.

As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the SEBI ICDR Regulations and any other law for the time being in force and being applicable and in terms

of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The proposed issue will not result in net increase of borrowings, as some of the existing borrowings may be replaced with new securities to minimize the cost of borrowings. The proceeds may also be used for other miscellaneous business purposes, including but not limited to meet capital expenditure, working capital requirements of the Company and/or its subsidiaries, including through investment in such subsidiaries, repayment of debt and other general corporate purposes.

The Board accordingly commends the Special Resolution set out at Item No. 5 of the accompanying Notice for your approval.

The Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies / institutions in which they are Directors or Members.

All the documents referred to in the accompanying Notice and this Statement are open for inspection of the members during business hours on all working days up to the date of the Meeting.

**ITEM NO. 5**

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, 2019 as per the following details:

| <b>S. No.</b> | <b>Name of the Cost Auditor</b> | <b>Financial Year</b> | <b>Audit Fees (In ₹)</b> |
|---------------|---------------------------------|-----------------------|--------------------------|
| 1.            | M/s S. Shekhar & Company        | 2018-19               | 50000                    |

In accordance with the provisions of Section 148 of the Companies Act, 2013 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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.

**For Hi-Tech Pipes Limited**

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

Place : New Delhi  
 Date : 22.05.2018

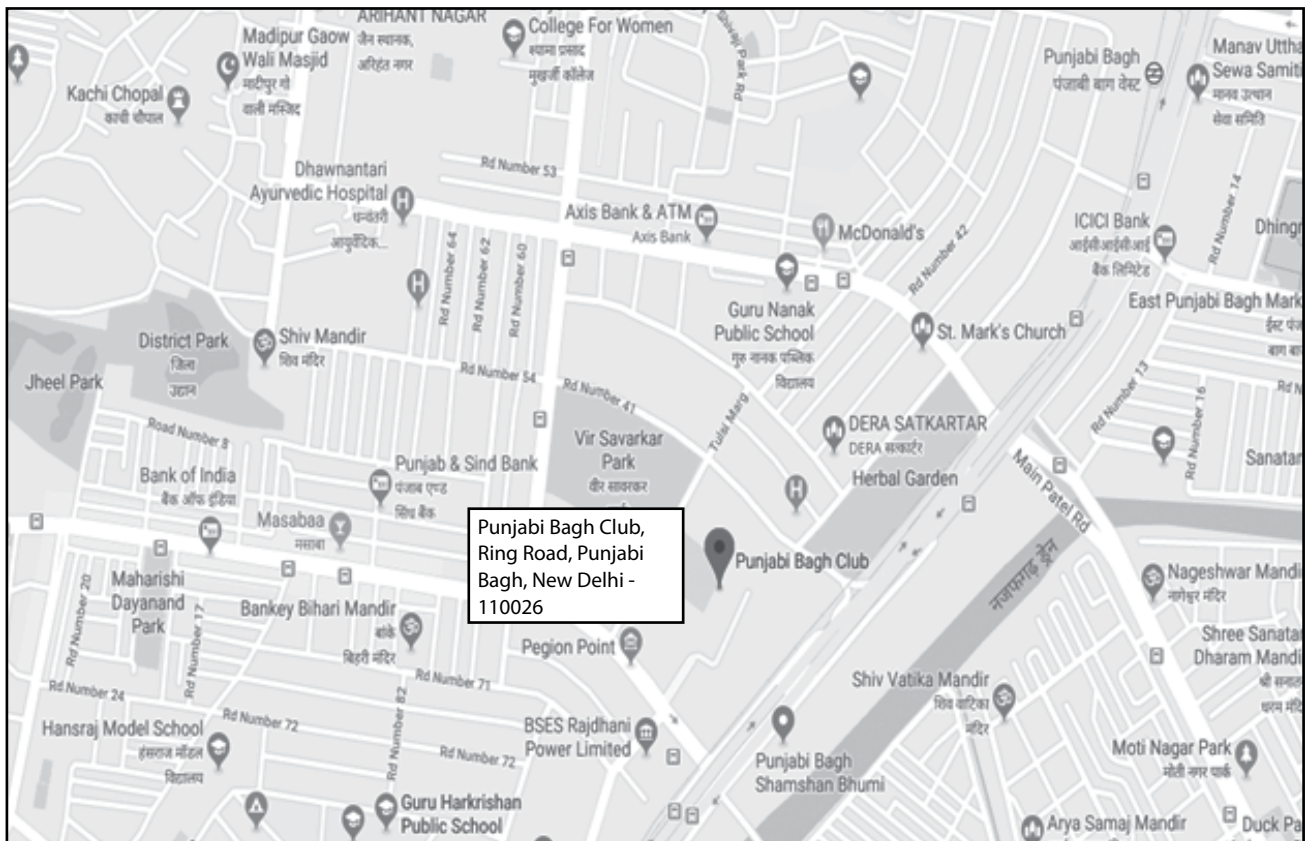
**REGISTERED OFFICE:**

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



**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT (RETIRE BY ROTATION) AT THE 34TH ANNUAL GENERAL MEETING**

|  |  |
|--|--|
| <b>Name of Director</b>  | <b>Mr. Anish Bansal</b>  |
| Date of Birth/Age  | 2nd November, 1984/33  |
| Brief Resume   | Mr. Anish Bansal has done B.Sc. Economics in Banking and Finance from the Cardiff University, UK in 2005. He is responsible for the Finance function of the Company and works closely in the expansion plans with the Managing Director. |
| Experience/Expertise   | Mr. Anish Bansal has over 12 years in Corporate Finance, Strategy, marketing, product development, project implementation, international trade and Finance besides certain other Corporate matters.                                      |
| Disclosure of relationships between directors inter-se   | Mr. Anish Bansal is the Son of Mr. Ajay Kumar Bansal, Managing Director of the Company.  |
| Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board | NIL  |
| Shareholding   | 737600 Equity Shares<br>225000 Fully Convertible Warrants  |

**ROUTE MAP TO THE AGM VENUE**



**HI-TECH PIPES LIMITED**

**Corporate Identity Number (CIN)** - L27202DL1985PLC019750

**Registered Office:** 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034

**Tel No:** +91 11 48440050 | **Fax No.** +91 11 48440055

**Email Address:** info@hitechpipes.in **Website:** www.hitechpipes.in

**ATTENDANCE SLIP**

34TH ANNUAL GENERAL MEETING, MONDAY, 16TH JULY, 2018 AT 11:00 A.M

At Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi-110026

Sl. No.

Registered Folio No. / DP ID & Client ID:

Name and Address of Member (s):

Joint Holder (s):

No. of Shares:

I/We hereby record my/our presence at the Thirty Fourth Annual General Meeting of the Company held on Monday, 16th Day of July, 2018 at 10:30 a.m Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi – 110026.

Member's/ Proxy's Signature

**Notes:**

1. Members holding shares in physical form are requested to advise the change in their address, if any, to M/s Bigshare Services Private Limited 4E/8, First Floor Jhandewalan Extn., New Delhi-110055
2. Members are informed that no duplicate slips will be issued at the venue of the Meeting and they are requested to bring this slip for the meeting.
3. Please note that no gift or gift coupons will be distributed

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL

Electronic Voting Particulars

| E-Voting Event Number (EVEN) | User ID | Password |
|------------------------------|---------|----------|
|                              |         |          |

Note: Please read the instructions printed on the Notice of 34th Annual General Meeting to be held on 16th July, 2018. The voting period starts from 9.00 a.m. (IST) on Friday, 13th July, 2018 and ends at 5.00 p.m. (IST) on Sunday, 15th July, 2018. The voting modules shall be disabled by NSDL for voting thereafter.



**Corporate Identity Number (CIN)** - L27202DL1985PLC019750  
**Registered Office:** 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi-110034  
**Tel No:** +91 11 48440050 | **Fax No.** +91 11 48440055  
**Email Address:** info@hitechpipes.in **Website:** www.hitechpipes.in

## PROXY FORM

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

**Name of the Member(s):** .....

**Registered address:** .....

.....

**E-mail Id:** .....

**Folio No/ Client Id:** ..... **DP ID:** .....

I/ We being the member (s) of \_\_\_\_\_ shares of the above mentioned company, hereby appoint:

1. Name: .....

Address: .....

.....

E-mail Id: .....

Signature: \_\_\_\_\_, or failing him/her;

2. Name: .....

Address: .....

.....

E-mail Id: .....

Signature: \_\_\_\_\_, or failing him/her;

3. 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 the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Company to be held on Monday, 16th July, 2018 at 10:00 a.m. at Punjabi Bagh Club, Ring Road, Punjabi Bagh. New Delhi-110026 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

| Res. No. | Description   | For | Against |
|----------|---|-----|---------|
| 1.       | To consider and adopt the Audited Financial Statement( including the Consolidated Financial Statement) of the Company for the Financial year ended March 31, 2018 the Reports of Board of Directors' and Auditors' thereon. |     |         |
| 2.       | To declare Dividend of ₹0.25/- Paisa per equity share for the Financial Year ended on March 31, 2018  |     |         |
| 3.       | To appoint a Director in place of Mr. Anish Bansal (DIN:00670250) who retires by rotation and being eligible, offers himself for re-appointment   |     |         |
| 4.       | To approve raising of additional capital upto an amount not exceeding of ₹100 Cr.   |     |         |
| 5.       | To consider and approve remuneration payable to M/s S. Shekhar & Co., Cost Accountants appointed as Cost Auditors of the Company for FY 2018-19   |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Signature of the member

Signature of Proxyholder(s)

Affix  
Revenue  
Stamp

**Note:**

1. The Proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company.
2. Please put a " " in the Box in the appropriate column against the respective resolution. If you leave the "For" or "Against" column blank against any or all the resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. 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.
4. A proxy need not be a member.
5. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

**Mr. Anish Bansal**  
Whole-Time Director

**Mr. Ajay Sahay**  
Non-Executive Independent Director

**Mr. Vivek Goyal**  
Non-Executive Independent Director

**Mr. P.K. Saxena**  
Non-Executive Independent Director

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

**CHIEF FINANCIAL OFFICER**  
**Mr. Arvind Bansal, FCA**

**COMPANY SECRETARY & COMPLIANCE  
OFFICER**  
**Mr. Arun Kumar**

**STATUTORY AUDITOR**  
M/s A. N. Garg & Co.  
Chartered Accountants

**BANKERS**  
State Bank of India  
Canara Bank  
HDFC Bank  
Kotak Mahindra Bank  
SVC Co-operative Bank

## 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 (UP)**

Plot No. 10, UPSIDC  
Sikandrabad, Bulandshahar  
Uttar Pradesh-203 205  
Plot No. 16, UPSIDC  
Sikandrabad, Bulandshahar  
Uttar Pradesh-203 205

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

**HTL METAL PVT. LTD.**  
**Hindupur (AP)**  
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)



**1000+**  
**CRORE**  
C O M P A N Y



**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)