

INDEPENDENT AUDITORS' REPORT

To
The Members,
HTL METAL PRIVATE LIMITED
New Delhi

Report on Financial Statements

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

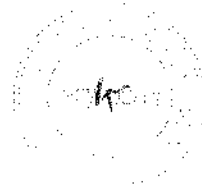
Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 and relevant rules made thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant of the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained in sufficient and appropriate to provide a basis for our audit opinion.



Opinion

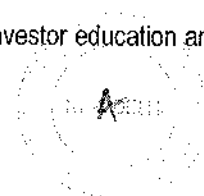
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India:

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

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

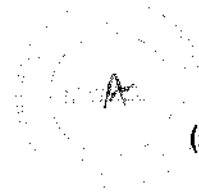
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-1, a statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by Section 143(3) of the Act, we further report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far it appears from our examination of these books.
 - c) The Balance Sheet, Statement of Profit and Loss dealt with in this report are in agreement with the books of accounts.
 - d) In our opinion, Balance Sheet, the Statement of Profit and Loss comply with the the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) on the basis of written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the investor education and protection fund by the Company.



iv) The Company did not deposited/others permitted payments of cash balance between the period November 8, 2016 to December 30, 2016, Refer to Note No. 34 in financial statement.

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



Astha
(Astha Aggarwal)
Partner
M. No. 519192

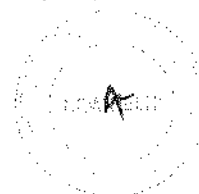
Place : New Delhi
Date : May 26, 2017

Annexure- 1 To The Independent Auditor's Report

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

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

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; any material discrepancies were not noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies were not noticed. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the company has not granted 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, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the company.
- (iv) In respect of loans, investments, guarantees, and security, necessary provision of section 185 & 186 of the Companies Act, 2013 have been complied with wherever applicable on the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year to which directives issued by the Reserve Bank of India and provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under.
- (vi) As per information & explanation given by the management, Company is not covered under maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 Accordingly, the provisions of clause (vi) of the order are not applicable to the company.
- (vii) (a) As explained to us and as per the books and records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Wealth Tax, Sales Tax, Excise duty, Cess and other statutory dues have been generally deposited with the appropriate authority.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and relied upon by us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Sales Tax, Excise duty & Cess, which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues bank or financial institutions. The Company did not have any outstanding in respect of debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management the company has no moneys raised by way of further public offer/debt instruments during the year.

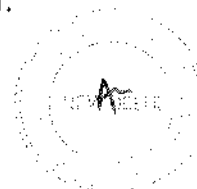
(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and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

(xi) According to the information and explanations given by the management, no managerial remuneration has been paid or provided during the year. hence by the provisions of clause (xi) of section 197 read with Schedule V to the Companies Act 2013 not applicable of the Company.

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

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

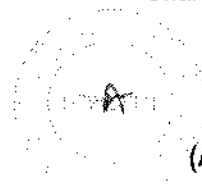
(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has made preferential allotment of 18, 60,000 fully paid up equity shares to Hi-Tech Pipes Limited face value Rs.10/- each at a premium of Rs. 3.50/- during the year under.



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

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

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



(Astha Aggarwal)
Partner
M. No. 519192

Place : New Delhi
Date : May 26, 2017

Annexure- 2 To The Independent Auditor's Report

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

To the Members of HTL Metal Private Limited

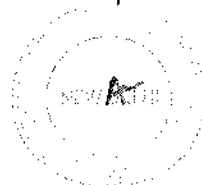
We have audited the internal financial controls over financial reporting of HTL Metal Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

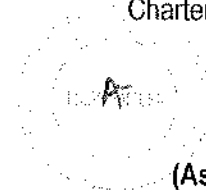
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.C. Aggarwal & Co.

Chartered Accountants

FRN. 003273N



(Astha Aggarwal)

Partner

M. No. 519192

Place : New Delhi

Date : May 26, 2017

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES****a. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

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

b. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets, liabilities and contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

c. REVENUE RECOGNITION

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

d. GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as a reduction to the cost of the asset.

e. EXCISE DUTY

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

f. BORROWING COST

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



g. EMPLOYEE BENEFITS

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

h. INCOME TAX

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

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

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

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

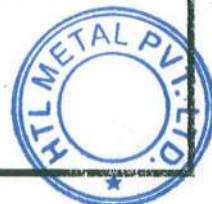
Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period."

i. FIXED ASSETS**1) TANGIBLE ASSETS**

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

2) INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.



j. DEPRECIATION

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

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

Plant Machinery – 15 to 25 Years.

Factory Building – 30 Years.

Office Equipment – 5 Years.

Vehicle – 10 Years.

Furniture & Fittings – 10 Years.

Computer – 3 Years.

k. INVENTORIES VALUATION

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

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

Work-in-progress is valued at estimated cost.

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

Scraps are valued Net estimated realizable value.

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

l. CASH AND CASH EQUIVALENTS

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

m. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.



n. INVESTMENTS

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

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

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

o. EARNINGS PER SHARE

Basic earnings per share 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 Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

p. IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.



HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

501, Pearl Omax Tower, Netaji Subhash Place, Pitam Pura, Delhi-34

BALANCE SHEET AS AT March 31, 2017

₹ in Lakhs

DESCRIPTION	Note No.	31.03.2017	31.03.2016
EQUITY AND LIABILITIES:-			
Shareholders Funds			
(a) Share Capital	02	236.00	50.00
(b) Reserves and Surplus	03	238.54	17.48
Non-Current Liabilities			
(a) Long-Term Borrowings	04	2,323.48	72.76
(b) Deferred Tax Liabilities (net)	05	9.50	-
(c) Other Long Term Provision	06	1.20	-
Current Liabilities			
(a) Short-Term Borrowings	07	1,085.93	-
(b) Trade Payables	08	486.55	-
(c) Other Current Liabilities	09	721.01	85.15
(d) Short-Term Provisions	10	59.02	0.06
Total		5,161.24	225.45
ASSETS			
Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		1,453.14	133.12
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		466.17	-
(b) Non-Current Investments	12	0.03	-
(c) Long-term Loans and Advances	13	108.00	4.37
Current Assets			
(a) Inventories	14	873.62	-
(b) Trade Receivables	15	1,759.56	-
(c) Cash and Bank Balances	16	54.45	0.83
(d) Short-Term Loans and Advances	17	446.27	87.12
Significant Accounting Policies	01		
Total		5,161.24	225.45

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

For N.C. Aggarwal & Co.

Chartered Accountants

FRN:003273N

Astha Aggarwal

(Partner)

M.No.519192

Date: May 26, 2017

Place: New Delhi

For and on behalf of the board

Ajay Kumar Bansal

Director

DIN 01070123

Vipul Bansal

Director

DIN 00670203

HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

501, Pearl Omax Tower, Netaji Subhash Place, Pitam Pura, Delhi-34

₹ in Lakhs

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED March 31, 2017

DESCRIPTION	Note No.	31.03.2017	31.03.2016
REVENUE			
Revenue from Operations	18	5,176.73	-
Less: Excise Duty		569.83	-
		4,606.90	-
Other Income	19	3.40	-
Total	A	4,610.30	-
EXPENSES			
Cost of Materials Consumed	20	4,413.87	-
Changes in Inventories	21	(345.66)	-
Employee Benefits Expenses	22	64.04	-
Finance Costs	23	94.91	-
Depreciation and Amortization Expenses	11	81.30	-
Other Expenses	24	136.37	0.46
Total	B	4,444.83	0.46
Profit Before Exceptional, Extraordinary Items and Tax	A-B	165.47	(0.46)
Exceptional / Extraordinary Items		-	-
Profit Before Tax		165.47	(0.46)
Less/ (Add) Tax Expenses:			
Current Tax		33.74	-
Deferred Tax		9.50	-
MAT Credit Entitlement		33.74	-
Profit for the year		155.96	(0.46)
Earning Per Share			
-Basic		21.54	0.09
-Diluted		21.54	0.09

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

For N.C. Aggarwal & Co.

Chartered Accountants

FRN:003273N

Astha Aggarwal

(Partner)

M.No.519192

Date: May 26, 2017

Place: New Delhi

For and on behalf of the board

Ajay Kumar Bansal

Director

DIN 01070123

Vipul Bansal

Director

DIN 00670203

HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakhs

PARTICULARS	31.03.2017	31.03.2016
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit Before Tax and Extra Ordinary Activity	165.47	(0.46)
Add/(Less) Adjustments for:		
Depreciation	81.30	-
Interest Received	(3.40)	-
Finance Costs	94.91	-
Other Provisions	36.80	0.03
Operating Profit Before Working Capital Changes	375.07	(0.43)
Adjustments for:-		
Increase / (Decrease) Trade Payables	486.55	-
Increase / (Decrease) Current Liabilities	635.86	73.99
(Increase) / Decrease Trade Receivables	(1,759.56)	-
(Increase) / Decrease Inventories	(873.62)	-
(Increase) / Decrease Loans and Advances	(332.73)	(62.13)
Cash Generated from Operations	(1,468.43)	11.43
Direct Taxes Paid	(10.38)	-
Net Cash Flow From Operating Activities (A)	(1,478.81)	11.43
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Addition to /Advance for Capital Assets	(1,963.78)	(133.12)
Investments	(0.03)	-
Net Cash Flow From Investing Activities(B)	(1,963.81)	(133.12)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds on issue of Equity Shares	251.10	48.75
Increase/ (Decrease) in Long Term Borrowings	2,250.72	71.66
Increase/ (Decrease) in Short Term Borrowings	1,085.93	-
Interest Received	3.40	-
Interest Paid	(77.84)	-
Other Finance Costs	(17.07)	-
Net Cash Flow Used In Financing Activities(C)	3,496.24	120.41
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)	53.62	(1.28)
Cash and Cash Equivalent at the Beginning of the Year	0.83	2.11
Cash and Cash Equivalent at the Closing of the Year	54.45	0.83

Notes:

- Cash & Cash Equivalent represents Cash & Bank Balances and deposit with Banks as per Note No.16
- Cash Flow Statement has been prepared under the "indirect method" as set out in the Accounting Standard (AS-3), "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the company.

For N.C. Aggarwal & Co.

Chartered Accountants,

FRN: 003273N

Astha Aggarwal
(Partner)

M.No. 519192

Date: May 26, 2017

Place: New Delhi



For and on behalf of the board

Ajay Kumar Bansal
(Director)
DIN 01070123

Vipul Bansal
(Director)
DIN 00670203

HTL METAL PVT.LTD.
CIN U27320DL2011PTC214435
Notes to Accounts for the year ended March 31, 2017

Description	Note No.	₹ in Lakhs	
		As at 31st March, 2017	As at 31st March, 2016
Share Capital	02		
Authorised:			
30,00,000(Previous Year 1000000)		300	100
Equity Shares of Rs. 10/- each		300	100
Issued and Subscribed:			
23,60,000(Previous Year 500000)		236	50
Equity Shares of Rs 10/- each Fully Paid		236	50
Paid Up:			
23,60,000(Previous Year 500000)		236	50
Equity Shares of Rs 10/- each Fully Paid		236	50
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:			
Equity Shares			
At the beginning of the year		5,00,000	5,00,000
Issued during the year		18,60,000	-
Shares outstanding at the end of the year		23,60,000	5,00,000

2.01 **Shares in the company held by each shareholder holding more than 5% shares are as under:**

Name of the Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Hi-Tech Pipes Ltd	23,59,999	99.99%	-	0.00%
Ajay Kumar Bansal*	1	0.01%	2,50,000	50.00%
Vipul Bansal	-	0.00%	2,50,000	50.00%

* Ajay Kumar Bansal is holding share on behalf of Hi-Tech Pipes Limited

- 2.02 During the year Fresh 18,60,000 Equity Shares of Rs.10/- each were issued and allotted @Rs 13.50 Per share fully paid (Face Value of Rs. 10/- each at premium of Rs. 3.50 per share)
- 2.03 Particulars of Securities convertible into Equity Share : NIL
- 2.04 The rights, powers and preference relating to each class of Share and the qualifications limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the
- 2.01 Company. The Principal rights are as follows :
- The company has only one class of Equity Share having a nominal value of Rs. 10/- each
Voting right shall be in the same proportion as the capital paid up on such Equity Share bears to the total paid up capital of the Company.
 - The dividend proposed by the Board of Directors is subject to the approval of the shareholders.
 - In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



HTL Metal Pvt Ltd

CIN U27320DL2011PTC214435

Notes to Accounts for the year ended March 31, 2017

₹ in Lakhs

DESCRIPTION	Note No.	31.03.2017	31.03.2016
RESERVE AND SURPLUS	03		
Surplus in the Statement of Profit & Loss Account			
As per last Financial Statements		17.48	17.48
Add :Profit during the year		155.96	(0.46)
Less:Transfer to Pre-operative Expense		-	0.46
Total(A)		173.44	17.48
Securities Premium Reserve			
As per last Financial Statements		-	-
Add: On issue of Equity Shares		65.10	-
Total(B)		65.10	-
Total(A+B)		238.54	17.48
LONG TERM BORROWINGS	04		
Secured			
Term Loan			
From Banks		911.04	-
Total (A)		911.04	-
Unsecured			
From Related Parties			
Holding Company		619.28	-
Director		686.26	72.76
Intercompany Borrowings		106.90	-
Total (B)		1,412.44	72.76
Total (A)+(B)		2,323.48	72.76

Nature of Security and Term of Repayment Loan of Long Term Secured Borrowings

₹ in Lakhs

Term Loan form Banks	Details of Security	Repayment Terms	2016-17		2015-16	
			Long Term Debts	Current Maturities	Long Term Debts	Current Maturities
	Equitable Mortgage of land and building located at plot/survey no. Plot No. 41-B, Gollampuram Village, Anantpur District, Andhra Pradesh and corporate guarantee of Hi-Tech Pipes Limited. Further secured by personal guarantee of directors of the company.	Repayable in 60 equal EMI of Rs.16.68 Lakhs from December, 2017	250.00	66.72	-	-
	Hypothecation of Plant & Machinery and other movable assets (present & future) located at plot/survey no. Plot No. 41-B, Gollampuram village and corporate guarantee of Hi-Tech Pipes Limited. Further secured by personal guarantee of directors of the company	Repayable in 60 equal EMI of Rs.5.56 Lakhs from December, 2017	750.00	22.24	-	-

DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities on Depreciation

Deferred Tax Assets on Business Losses

Deferred Tax Assets on Employee Benefits

Total

05

A 57.61

B 47.71

C 0.40

(A-B-C) **9.51**

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



OTHERS LONG TERM PROVISION

Provision for Employee Benefits

	06	1.20	-
Total		1.20	-

SHORT TERM BORROWINGS

Secured

Loan repayable on demand

From Banks

	07	1,085.93	-
Total		1,085.93	-

Working Capital facilities are secured by primarily hypothecation of Stock, Debtors, Plant & Machinery and other movable assets of the Company and (Present & Future), collateral security is land & building situated at Plot No. 41B Industrial Area, Golapuram, Anantpur, Andhra Pradesh and corporate Guarantee of holding company Hi-Tech Pipes Limited. These credit facilities further secured by personal guarantee of directors.

TRADE PAYABLE

Raw Material

	08	486.55	-
Total		486.55	-

OTHER CURRENT LIABILITIES

Current Maturities on Long Term Debts*

Advance from Customers

Creditors for Fixed Assets & Other

Statutory Dues

Other Outstanding Liabilities

	09	88.96	-
		8.49	-
		493.32	-
		82.33	-
		47.91	85.15
Total		721.01	85.15

Notes:

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

SHORT TERM PROVISIONS

Excise Duty on Uncleared Goods

Other Provision

Provision of Income Tax

	10	35.65	-
		0.01	0.06
		23.36	-
Total		59.02	0.06

Non-Current Investments

Un-quoted

Investment in 100 equity shares of SVC Co-Op Bank Ltd
(Previous Year Nil Shares)

	12	0.03	-
Total		0.03	-

LONG TERM LOANS AND ADVANCES

Security and other Deposits

Advance for Capital Assets

Other Non Current Assets

	13	11.72	-
		96.28	-
		-	4.37
Total		108.00	4.37

INVENTORIES

(Valued and certified by Management)

Raw Materials

Finished Goods

Rejection & Scrap

	14	492.31	-
		369.84	-
		11.47	-
Total		873.62	-

TRADE RECEIVABLE

Unsecured, Considered Good

- Outstanding for Less than 180 Days

	15	1,759.56	-
Total		1,759.56	-



CASH AND BANK BALANCES

16

Cash and Cash Equivalents

Cash in hand	4.11	0.83
Banks Balance	0.24	-
	<u>4.35</u>	<u>0.83</u>

Other Bank Balances

Term Deposits (Since inception less than 12 months)	50.10	-
Total	<u>54.45</u>	<u>0.83</u>

SHORT TERM LOANS AND ADVANCES

17

Advance Recoverable in Cash or in kind or for value to be considered good

Advance to Supplier and Others	214.13	87.12
Balances with Govt. Authorities	195.36	-
Prepaid Expenses	0.87	-
Others Advances	2.17	-
MAT Credit Entitlement	33.74	-
Total	<u>446.27</u>	<u>87.12</u>



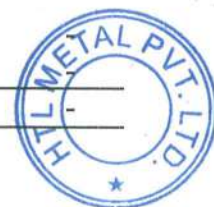
HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

₹ in Lakhs

Notes forming Part of Balance Sheet for the year ended March 31, 2017

DESCRIPTION	Note No.	31.03.2017	31.03.2016
<u>REVENUE FROM OPERATIONS</u>	18		
A. Sale of Products			
Domestic Sales		5,170.53	-
Add: Job Work		6.20	-
Total		5,176.73	-
<u>PARTICULARS OF SALE OF PRODUCTS</u>	18.1		
Steel Tubes Products		5,115.07	-
Others		55.45	-
Total		5,170.52	-
<u>OTHER INCOME</u>	19		
Interest Income			
From Banks		2.99	-
From Others		0.41	-
Total		3.40	-
<u>COST OF MATERIALS CONSUMED</u>	20		
Opening Stock		-	-
Cost of Material Purchased		4,906.18	-
Less: Closing Stock of Material		492.31	-
Total		4,413.87	-
<u>PARTICULAR OF MATERIALS CONSUMED</u>	20.1		
Coils/Skelp		4,411.73	-
Zinc		2.14	-
Total		4,413.87	-
<u>CHANGE IN INVENTORIES</u>	21		
Opening Stock			
Finished Goods		-	-
Rejection and Scrap		-	-
		-	-
Closing Stock			
Finished Goods		369.84	-
Rejection and Scrap		11.47	-
(Increase)/Decrease in stock		381.31	-
Increase/(Decrease) of Excise Duty on account of change in Closing Stock of Finished Goods		35.65	-
Total		(345.66)	-
<u>EMPLOYEES BENEFITS EXPENSES</u>	22		
Salaries, Wages, Bonus and Other Benefits		62.51	-
Staff Welfare Expenses		1.53	-
Total		64.04	-



HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

₹ in Lakhs

Notes forming Part of Balance Sheet for the year ended March 31, 2017

DESCRIPTION	Note No.	31.03.2017	31.03.2016
<u>FINANCE COSTS</u>	23		
Interest Expenses		77.84	-
Others		17.07	-
Total		94.91	-
 <u>OTHER EXPENSES</u>	24		
Power and Fuel		47.99	-
Audit Fee		0.50	-
Repairs to:			
Machinery		0.49	-
Freight and Cartage Outward		58.68	-
Consumable Stores		2.69	-
Legal and Professional Charges		2.54	-
Travelling and conveyance		6.80	-
Telephone and Internet Expense		0.37	-
Rent		1.94	-
Printing & Stationery		0.47	-
Other Expense		11.52	-
Security Services		2.38	-
Total		136.37	-



HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

501, Pearl Omax Tower, Netaji Subhash Place, Pitam Pura, Delhi-34

Note No. 11 Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		(Amount 'in Lakhs')
	As on 01.04.2016	Addition	Sale/ trf	As on 31.03.2017	As on 01.04.2016	Dep. for the year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
(i) Tangible Fixed Assets									
I Land	133.12	81.64	-	214.76	-	-	-	214.76	133.12
II Factory Shed & Building	-	385.06	-	385.06	-	16.07	16.07	368.99	-
III Plant & Machinery	-	926.76	-	926.76	-	64.01	64.01	862.75	-
IV Computer	-	0.83	-	0.83	-	0.25	0.25	0.58	-
V Vehicle	-	1.28	-	1.28	-	0.22	0.22	1.06	-
VI Furniture & Fixtures	-	5.37	-	5.37	-	0.67	0.67	4.70	-
VII AIR CONDITIONER	-	0.39	-	0.39	-	0.08	0.08	0.30	-
Total	133.12	1,401.33	-	1,534.45	-	81.30	81.30	1,453.14	133.12
(ii) Intangible Assets	-	-	-	-	-	-	-	-	-
(iii) Capital Work-in-Progress	-	466.17	-	466.17	-	-	-	466.17	-
Grand Total	133.12	1,867.50	-	2,000.62	-	81.30	81.30	1,919.31	133.12



"NOTES": NOTES ON ACCOUNTS**NOTE 25: CONTINGENT LIABILITIES**

- a) Corporate Guarantees: Current Year (NIL) Pervious Year (NIL)
- b) Estimated amount of contracts remaining to be executed on capital account and not provided or (net of advance): Current Year(NIL) Pervious Year (NIL)
- c) Other monies for which company of contingently liable Current Year (NIL) Pervious Year (NIL)

NOTE 26: RETIREMENT BENEFITS**GRATUITY**

The Company makes provision of such gratuity assets/liabilities in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. The following tables summarize the component of net benefit expenses expense recognized in the profit and losses account and the funded status and amounts recognized in the balance sheet of the plan:

I.	Change in present value of obligation	31/03/2017
a)	Present value of obligation as at the beginning of the period	--
b)	Acquisition adjustment	--
c)	Interest cost	--
d)	Current service cost	1.21
e)	Past service cost	--
f)	Benefits paid	--
g)	Actuarial (gain)/loss on obligation	--
h)	Present value of obligation as at the end of period	1.21

II.	Changes in the fair value of plan assets	31/03/2017
a)	Fair value of plan assets at the beginning of the period	--
b)	Acquisition adjustment	--
c)	Expected return on plan assets	--
d)	Contributions	--
e)	Benefits paid	--
f)	Actuarial gain/(loss) on plan assets	--
g)	Fair value of plan assets at the end of the period	--

III.	Fair value of plan assets	31/03/2017
a)	Fair value of plan assets at the beginning of the period	--
b)	Acquisition adjustment	--
c)	Actual return on plan assets	--
d)	Contributions	--
e)	Benefits paid	--
f)	Fair value of plan assets at the end of the period	--

IV.	Actuarial gain / loss recognized	31/03/2017
a)	Actuarial gain/(loss) for the period - Obligation	



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

V.	The amounts to be recognized in balance sheet and statement of P & L A/C	31/03/2017
a)	Present value of obligation as at the end of the period	1.21
b)	Fair value of plan assets as at the end of the period	--
c)	Funded status / Difference	(1.21)
d)	Excess of actual over estimated	--
e)	Unrecognized actuarial (gains)/losses	--
f)	Net asset/(liability) recognized in balance sheet	(1.21)

VI.	Expense recognized in the statement of P & L A/C	31/03/2017
a)	Current service cost	1.21
b)	Past service cost	--
c)	Interest cost	--
d)	Expected return on plan assets	--
e)	Net actuarial (gain)/ loss recognized in the period	--
f)	Expenses recognized in the statement of profit & losses	1.21

VII.	Reconciliation statement of expense in the statement of P & L A/C	31/03/2017
a)	Present value of obligation as at the end of period	1.21
b)	Present value of obligation as at the beginning of the period	--
c)	Benefits paid	--
d)	Actual return on plan assets	--
e)	Acquisition adjustment	--
f)	Expenses recognized in the statement of profit & losses	1.21

VIII.	Movements in the liability recognized in the Balance Sheet	31/03/2017
a)	Opening net liability	--
b)	Expenses as above	1.21
c)	Benefits paid	--
d)	Actual return on plan assets	--
e)	Acquisition adjustment	--
f)	Closing net Liability	1.21

IX.	The Major categories of plan assets	31/03/2017
a)	Government of India Securities	--
b)	High Quality Corporate Bonds	--
c)	Equity Shares of listed companies	--
d)	Property	--



	Total	--
--	-------	----

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

XI.	Current / Non Current Liability	31/03/2017
a)	Current liability	0.01
b)	Non-Current liability	1.20
c)	Net Liability	1.21

NOTE 27: Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, will be adjusted at the time of confirmation. However no confirmation has been provided to us.

NOTE 28: In the opinion of the management, the realisable value of current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.

NOTE 29: SEGMENT REPORTING

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

NOTE 30: RELATED PARTIES TRANSACTIONS:

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

a) List of related parties and relationship (as identifies by the management)

i) Parties where control exists:

1. Hi-Tech Pipes Limited

Holding Company

ii) Key Management Personnel:

1. Sh. Ajay Kumar Bansal

Director

2. Sh. Anish Bansal

Additional Director

3. Sh. Vipul Bansal

Director

iii) Relatives of Key Management Personnel: NIL

iv) Entities over which key management personnels and their relative exercise significant influence, whom transaction have been taken place during the year: NIL

S.No	Nature of Transaction	Holding Company (In Lakh)		Key Management Personnel (In Lakh)		Relatives of Key Management Personnel (In Lakh)		Enterprises have significant influence of Key Management Personnel and their Relatives (In Lakh)	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1.	Interest Paid	-	-	-	-	-	-	116.32	-
2.	Loan Accepted	870.38	-	613.50	71.00	-	-	-	-
3.	Outstanding loan	(619.28)	-	(686.26)	(72.10)	-	-	-	-

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

Note 31: AUDITOR'S REMUNERATION AND EXPENSES CHARGES TO ACCOUNTS:



(RUPEES IN LAKHS)

Particulars	2016-17	2015-16
Statutory Audit Fee (Excluding Services Tax)	0.50	0.05
Tax Audit Fee (Excluding Services Tax)	NIL	NIL
Total	0.50	0.05

Note 32: EARNINGS PER SHARE

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

Particulars	All figures in Lacs except EPS	
	2016-17	2015-16
Basic		
Weighted average no. of Equity Shares outstanding	7.24	5.00
Net Profit After Tax	155.96	(0.46)
Basic Earnings per Share	Rs.21.54	Rs.0.092
Diluted		
Weighted average no. of Equity Shares outstanding	7.24	5.00
Net Profit	155.96	(0.46)
Diluted Earnings per Share	Rs.21.54	Rs.0.092
Nominal Value per Share	Rs.10.00	Rs.10.00

Note 33: The company has so far not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises (Development), Act 2006. Hence disclosure relating to amounts unpaid at the year-end under this Act has not been given therefore Trade Payables in Note No 8 are due to Other Creditors.

Note 34: Excise duty shown in the Statement of Profit & Loss represents the net of excise duty received on total sales and borne by the Company on interdivision transfer.

Note 35: Disclosure on Specified Bank Notes

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

(IN RUPEES)

Particulars	SBNs	Other Denominations	Total
Closing Cash in Hand as on 08.11.2016	Nil	2,24,301	2,24,301
Add: Permitted Receipts	Nil	1,26,000	1,26,000
Less: Permitted Payments	Nil	2,36,668	2,36,668
Less: Amount Deposited in Banks	Nil	Nil	Nil
Closing cash in hands as on 31.12.2016	Nil	1,13,633	1,13,633

Note 36: The additional information pursuant to Schedule II to the Companies Act 2013 are either nil or not

Note 36: The additional information pursuant to Schedule II to the Companies Act 2013 are either nil or not applicable.

Note 37:

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

Notes 1 to 37 are annexed to an form an integral part of the Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended on that date

In terms of our report of even date annexed hereto

For N.C.AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N



Ajay Kumar Bansal
Director
DIN 01070123

Vipul Bansal
Director
DIN 00670203

(ASTHA AGGARWAL)
Partner
M. No 519192



Place: New Delhi
Date: May 26, 2017