INDEPENDENT AUDITOR'S REPORT

To The Members of HTL METAL PRIVATE Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HTL METAL PRIVATE 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 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 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 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 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 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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 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 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 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 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 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 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 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: DELHI
Date: 14.05.2018

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.

(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.

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

(xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him 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: DELHI
Date: 14.05.2018

Annexure - B
To the Independent Auditor's Report

(Referred to in paragraph under paragraph-1 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 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, 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 o management and directors of the company; and (3) provide reasonable assurance regardin prevention or timely detection of unauthorized acquisition, use, or disposition of the company' 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, includi the possibility of collusion or improper management override of controls, material misstateme due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of change 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 Company has, in all material respects, an adequate internal financial controls system over fina reporting and such internal financial controls over financial reporting were operating effective at March 31, 2018, based on "the criteria for internal financial control over financial rep established by the respective Company considering the essential components of internal c stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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: DELHI
Date: 14.05.2018

HTL METAL PRIVATE LIMITED
CIN U27320DL2011PTC214435

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

BALANCE SHEET AS AT March 31, 2018

(Rs. in Lakhs)

	DESCRIPTION	Notes No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS					
I	**Non-Current Assets**				
	(a) Property, Plant & Equipments	2	2,822.75	1,453.13	133.12
	(b) Capital Work-in-Progress	3	588.88	466.18	-
	(c) Financial Assets				
	i Investments	4	0.03	0.03	-
	ii Loans	5	36.26	11.72	-
	(d)Other non-current assets	6	118.35	96.28	4.37
	Total Non-Current Asset		**3,566.27**	**2,027.34**	**137.49**
	Current Assets				
	(a)Inventories	7	3,095.41	873.62	-
	(b)Financial Assets				
	i Trade receivables	8	2,607.97	1,759.56	-
	ii Cash and cash equivalents	9	29.46	4.35	0.83
	iii Other Bank balances	10	24.62	50.10	-
	(c)Other current assets	11	510.48	446.27	87.12
	Total Current Assets		**6,267.94**	**3,133.90**	**87.95**
	Total Assets		**9,834.21**	**5,161.24**	**225.44**
II	**EQUITY AND LIABILITIES:**				
	Equity				
	(a)Equity share capital	12	236.00	236.00	50.00
	(b)Other Equity	13	886.04	241.23	17.48
	Total Equity		**1,122.04**	**477.23**	**67.48**
	Non-Current Liabilities				
	(a)Financial Liabilities				
	Borrowings	14	3,285.44	2,318.71	72.76
	(b)Provisions	15	2.96	1.20	-
	(c)Deferred tax liabilities (Net)	16	20.10	11.59	-
	Total Non-Current Liabilities		**3,308.50**	**2,331.50**	**72.76**
	Current Liabilities				
	(a)Financial Liabilities				
	i Borrowings	17	3,321.32	1,085.93	-
	ii Trade payables	18	1,044.08	486.55	-
	iii Other financial liabilities	19	249.34	88.96	-
	(b)Other current liabilities	20	553.43	591.16	85.14
	(c)Provisions	21	59.54	76.55	0.06
	(d)Current Tax Liabilities (Net)		175.96	23.36	-
	Total Current Liabilities		**5,403.67**	**2,352.51**	**85.20**
	Total Equity & Liability		**9,834.21**	**5,161.24**	**225.44**
			-	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date	For and on behalf of Board	
For A.N. Garg & Company	**Ajay Kumar Bansal**	**Vipul Bansal**
Chartered Accountants		
ICAI Regn No.004616N		
	Director	Director
Per A.N. Garg	DIN :01070123	DIN 00670203
Partner		
Membership No.083687		
New Delhi, May 14, 2018		

HTL METAL PRIVATE LIMITED

CIN U27320DL2011PTC214435

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

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED March 31, 2018

(Rs. in Lakhs)

	Particulars	Notes	For the Year ended March 31,2018	For the Year ended March 31,2017
I	Revenue from Operations	22	19,924.28	5,176.73
II	Other Income	23	2.41	3.40
III	**Total Income(I+II)**		**19,926.69**	**5,180.13**
IV	**EXPENSES**			
	Cost of materials consumed	24	18,265.98	4,413.87
	Purchases of stock-in-trade			
	Change in inventories of finished goods, traded goods and work in progress	25	(1,050.63)	(345.66)
	Excise duty on sale of goods		506.46	569.83
	Employee benefits expense	26	261.96	64.04
	Finance costs	27	505.99	90.14
	Depreciation and amortization expenses	28	72.59	81.30
	Other expenses	29	501.33	136.37
	Total Expenses (IV)		**19,063.68**	**5,009.89**
V	**Profit before Tax(III-IV)**		863.01	170.24
VI	**Tax Expenses**	16		
	Current Tax		175.96	33.74
	Deffered Tax		205.37	11.59
	MAT credit entitlement		(163.13)	(33.74)
	Income Tax Expenses		**218.20**	**11.59**
VII	**Profit for the year**		**644.81**	**158.65**
VIII	**Other Comprehensive Income**			
A	i)Items that will not be reclassified to profit or loss		-	-
	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		-	-
	ii)Income tax relating to items that will be reclassified to profit or loss		-	-
	Total B		-	-
	Total Other comprehensive income / (loss) (A+B)		-	-
IX	**Earning Per Equity Share**	30		
	(Nominal Value of share Rs.10)			
	Basic Rs.		27.32	21.66
	Diluted Rs.		27.32	21.66

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

Per A.N. Garg
Partner
Membership No.083687
New Delhi, May 14, 2018

For and on behalf of 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

Statement of Changes in Equity for the Year Ended 31st March 2018

A.Equity Share Capital

(Rs 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
50.00	186.00	236.00	-	236.00

B.Other Equity

(Rs in Lakhs)

	Reserve and Surplus			
Particular	**Secuities Premium reserve**	**General Reserve**	**Retained Earnings**	**Total**
Opening Balance as at	-	-	17.48	17.48
Profit for the year	-	-	158.65	158.65
Secuities Premium issues on shares	65.10	-	-	65.10
Utlisation of secuities premium	-	-	-	-
Closing Balance as at March 31,2017	**65.10**	**-**	**176.13**	**241.23**
Profit for the year	-	-	644.81	644.81
Secuities Premium issues on shares	-	-	-	-
Utlisation of secuities premium	-	-	-	-
Closing Balance as at March 31,2018	**65.10**	**-**	**820.94**	**886.04**

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

Per A.N. Garg
Partner
Membership No.083687
New Delhi, May 14, 2018

For and on behalf of Board

Ajay Kumar Bansal
Director
DIN 01070123

Vipul Bansal
Director
DIN 00670203

HTL METAL PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH31, 2018

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31,2018	For the year ended March 31,2017
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit Before Tax and Extra Ordinary Activity	863.01	170.24
Add/(Less) Adjustments for:		
Depreciation	72.59	81.30
(Profit) / Loss on Sale of Fixed Assets		
Interest Received	(2.41)	(3.40)
Finance Costs	505.99	90.14
Operating Profit Before Working Capital Changes	**1,439.18**	**338.28**
Adjustments for:-		
Increase / (Decrease) Trade Paybles	557.54	486.55
Increase / (Decrease) Provision	(15.26)	77.63
Increase / (Decrease) Other Current Liabilities	(70.22)	594.97
(Increase) / Decrease Loan & Advances	-	-
(Increase) / Decrease Trade Receivables	(848.41)	(1,759.56)
(Increase) / Decrease Inventories	(2,221.79)	(873.62)
(Increase) / Decrease Other Current assets	16.13	(332.73)
Cash Generated from Operations	**(1,142.83)**	**(1,468.48)**
Direct Taxes Paid	137.44	10.38
Net Cash Flow From Operating Activities (A)	**(1,280.27)**	**(1,478.86)**
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Payment for Property ,Plant & Equipment , Intangible Assets including Capital Advance	(1,554.47)	(1,963.79)
Other Deposit	(24.54)	0.03
Bank deposits considered other than Cash and cash equivalents	25.48	(50.10)
Interest Received	2.41	3.40
Net Cash Flow From Investing Activities(B)	**(1,551.13)**	**(2,010.46)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds on issue of Equity Shares	-	251.10
Dividend Paid (Including taxes)	-	
Proceed/(Repayment of) non current borrowings	966.73	2,245.95
Proceed from/ (Repayment of) current borrowings	2,395.77	1,085.93
Finance Cost	(505.99)	(90.14)
Net Cash Flow Used In Financing Activities	**2,856.51**	**3,492.84**
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)	**25.11**	**3.52**
Cash and Cash Equivalent at the Beginning of the Year	**4.35**	**0.83**
Cash and Cash Equivalent at the Closing of the Year	**29.46**	**4.35**

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

For and on behalf of Board
Ajay Kumar Bansal **Vipul Bansal**

Director
DIN 01070123

Director
DIN 00670203

A.N. Garg
Partner
Membership No.083687
New Delhi, May 14, 2018

Notes to the Financial Statements

Background
HTL Metal Private Limited is a private limited company, incorporated and domiciled in India. Its registered office is located at 501, Pearl Omaxe Towers, New Delhi – 110034, India and principal place of business is located at 501, 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.

<u>B) Foreign currency transactions</u>:

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). Nonmonetary 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:

<u>i) Timing of recognitio</u>n:

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 salestax, value added tax, GST (Goods & Service Tax) etc.

Revenue includes excise duty asitis 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 noncurrent 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 isrecognised asincome on a straight-line basis over the lease term unlessthe 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 interestincome. The interestincome isrecognised 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.

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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 :

Asset category	Estimate useful life
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

Deb t 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:

<u>Measured at amortised cost:</u>

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.

<u>Measured at fair value through Other Comprehensive Income (OCI):</u>

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.

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 90 Annual Report 2017-18 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.

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.

HTL Metal Private Limited
2.PROPERTY, PLANT & EQUIPMENT

(Rs. in Lakhs)

Particulars	Freehold Land	Factory Shed &Building	Plant & Equipment	Furniture & Fixture	Vehicles	Computer	Total Tangible Asset
Deemed Cost as at							
April 01, 2016	133.12						133.12
Additions	81.64	385.06	927.14	5.37	1.28	0.83	1,401.32
Disposals							
Gross carrying amount as at March 31, 2017	214.76	385.06	927.14	5.37	1.28	0.83	1,534.44
Additions		401.36	1,039.21	1.54		0.10	1,442.20
Disposals							
Gross carrying amount as at March 31, 2018	**214.76**	**786.42**	**1,966.35**	**6.91**	**1.28**	**0.92**	**2,976.64**
Accumulated depreciation/amortisation and impairment							
Balance as at April 01, 2016	-	-	-	-	-		-
Depreciation for the year	-	16.07	64.09	0.67	0.22	0.25	81.31
Depreciation on Disposals							
Balance as at March 31, 2017		**16.07**	**64.09**	**0.67**	**0.22**	**0.25**	**81.31**
Depreciation for the year	-	18.66	53.06	0.50	0.12	0.24	72.59
Depreciation on Disposals							
Balance as at March 31, 2018	-	**34.73**	**117.15**	**1.18**	**0.34**	**0.50**	**153.89**
Net Carrying Amount							
At March 31, 2018	**214.76**	**751.69**	**1,849.20**	**5.73**	**0.94**	**0.43**	**2,822.75**
At March 31, 2017	**214.76**	**368.99**	**863.05**	**4.70**	**1.06**	**0.58**	**1,453.13**
April 01, 2016	**133.12**	-	-	-	-		**133.12**
Useful life of Assets (in Years)	N/A	30	5-25	10	08-10	3	
Method of Depriciation	N/A	**Straight Line Method**					

Notes:

a) The Company has elected 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 i.e 1 April ,2016,measured as per the previous GAAP and use that as its deemed cost as the date of transition.

b)The Company has Capitalised of Rs 77.42 Lakhs as interest during the the Financial Year 2017-18.(FY 17 Rs 98.15 Lakhs,FY 16 Nil)

c)Property,plant & equipment have been pledged as security against certain long term borrowings of the company as at 31March 2018

d)Considering the nature of property ,plant and equipment using in the business and operations of the company,it has been anaylzed and observed that assets are depreciating in linear and steady rate every year because repair and maintance costs were almost equal on particular asstes in preceding financial years irrespective of its capacity utilization. Since assets method to straight line Method prospectively w.e.f Financial Year 2017-18

HTL Metal Private Limited
3.Capital Work-in-Progress

(Rs in lakhs)

Particulars	Total
Net Carrying Amount	
As at 01.04.2016	-
As at 31.03.2017	**466.18**
As at 31.03.2018	**588.88**

4.INVESTMENTS (Non-current)

Particular	Face Value	As at March 31,2018		As at March 31,2017		As at April 1,2016	
		No of Shares / Units	Rs in Lakh	No of Shares / Units	Rs in Lakh	No of Shares / Units	Rs in Lakh
A. Investment in Equity Shares (Unquoted)							
Un-quoted(At Cost or deemed Cost)							
Investment in 100 equity shares of SVC Co-Op Bank Ltd	Rs. 25 each	100.00	0.03	100.00	0.03		-
Total Investments			0.03		0.03		

5.LOANS (NON-CURRENT)

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured considered good:			
Security Deposit	36.26	11.72	-
Total	**36.26**	**11.72**	

6.OTHER NON-CURRENT ASSETS

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured considered good:			
Capital Advance	118.35	96.28	-
Others			4.37
Total	**118.35**	**96.28**	**4.37**

7. INVENTORIES

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Inventories (at lower of cost and net realisable value)			
Raw materials	1,699.12	492.31	-
Semi Finished Goods/Finished goods	1,396.29	381.31	-
Total	**3,095.41**	**873.62**	-

Notes:

Inventories have been pledged as security against bank borrowings of the company (Refer note 17)

8. TRADE RECEIVABLE (CURRENT)

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured:			
Considered Good	2,607.97	1,759.56	-
Total	**2,607.97**	**1,759.56**	-

Notes

a)The credit period on sale of goods ranges from 30 to 60 days without securities. No interest is charged on trade receivables.

b)Before accepting any new customer, the company evalutes 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 credit period. The credit limit and the credit period are reviewed at periodical intervals

c) The company does not generally hold any collateral or other credit enhancements over the balances.

d)Trade receivables have been given as collateral towards borrowing (refer note no 17)

9. CASH AND CASH EQUIVALENT

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Balances with banks:			
Current accounts	20.11	0.24	
Cash on hand	9.35	4.11	0.83
Total	**29.46**	**4.35**	**0.83**

10.BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Earmarked balances			
In margin money	24.62	50.10	
(with maturity more than 3 months but less than			
12 months) at inception			
Total	**24.62**	**50.10**	-

10.1 Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for secuity against the gurantees & LC issued by Banks

11.OTHER CURRENT ASSETS

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured , considered good			
Advance other than capital advances:			
Advance for purchase	78.31	214.13	87.12
Prepayment and others	6.61	3.04	
Balances with government authorities	425.56	229.10	
Total	**510.48**	**446.27**	**87.12**

12.EQUITY SHARE CAPITAL

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No of Shares	(Rs in Lakh)	No of Shares	(Rs in Lakh)	No of Shares	(Rs in Lakh)
Authorised Share Capital :						
Equity Shares of Rs 10/- each	30,00,000	300	30,00,000	300	10,00,000	100
Issued,subscribed and Paid up Capital:						
Equity Shares of Rs 10/-each ,fully paid	23,60,000	236	23,60,000	236	5,00,000	50

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No of Shares	(Rs in Lakh)	No of Shares	(Rs in Lakh)	No of Shares	(Rs in Lakh)
Balance At the beginning of the year	23,60,000	236.00	5,00,000	50.00	5,00,000	50.00
Add : Equity share issued during the year			18,60,000	186.00		
Balance At the end of the year	**23,60,000**	**236.00**	**23,60,000**	**236.00**	**5,00,000**	**50.00**

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

Name of the Shareholder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Hi-Tech Pipes Ltd	23,59,999	99.99%	23,59,999	99.99%	-	0.00%
Ajay Kumar Bansal*	1	0.01%	1	0.01%	2,50,000	50.00%
Vipul Bansal	-	0.00%	-	0.00%	2,50,000	50.00%

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

During the Previous year 2016-17, Fresh 18,60,000 Equity Shares of Rs.10/- each were issued and alloted @Rs 13.50 Per share fully paid (Face Value of Rs. 10/- each at premium of Rs. 3.50 per share)

Particulars of Securities convertible into Equity Share : NIL

The rights, powers and preference relating to each class of Share and the qualifications limitations and restrictions thereof are contained in the Memorandom and Articles of Association of the Company

The Principal rights are as follows :

a. 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.

b. 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.

13.OTHER EQUITY

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
-			
General Reserve	-	-	-
Retained Earnings	820.94	176.13	17.48
OTHER RESERVES			
Securities Premium Account	65.10	65.10	
Total	**886.04**	**241.23**	**17.48**

Securities premium account

Securities premium reseve is credted due to premium on issue of shares. Thses reserve is utilised inaccordance with the provision of the Act.

14.BORROWINGS (NON -CURRENT)

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
TERM LOAN :			
Secured loan from bank	1,184.67	911.04	-
Unamortised upfront Fees on Borrowing	(6.11)	(4.77)	
UNSECURED LOAN			
From Directors	1,783.16	686.26	72.76
From Holding Company	215.62	619.28	
From Other Bodies Corporate	108.10	106.90	
Total	**3,285.44**	**2,318.71**	**72.76**

	As at 31-03-2018			As at 31-03-2017			As at 01-04-2016		
Terms and Security	**Current**	**Non - Current**	**Total**	**Current**	**Non - Current**	**Total**	**Current**	**Non - Current**	**Total**
Hypothecation of Plant & Machinery and other movable assets (present & future) located at plot No 41 B , 1 & 2 gollapuram Village Anantpur District,Andhra Pradesh . Repaybale in 60 Montly Installment of Rs 26.44 Lakh	207.10	987.05	**1,194.15**	22.24	727.76	**750.00**	-	-	-
Equitable Mortgage of Land and building located at Plot Survey no Plot No 41 B , 1 & 2 Gollapuram village, Anantpur District Andhra Pradesh Repaybale in 60 Montly Installment of Rs 5.36 Lakh	42.24	197.63	**239.87**	66.72	183.28	**250.00**	-	-	-
TOTAL	**249.34**	**1,184.67**	**1,434.01**	**88.96**	**911.04**	**1,000.00**	-	-	-

15.PROVISIONS (NON CURRENT)

(Rs in Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for Employee benefits			
Provision for Gratuity	2.81	1.20	-
Provision for leave encashment	0.16	-	-
Total	**2.96**	**1.20**	-

16.INCOME TAXES

a)Income tax expenses (Rs In Lakhs)

Particular	For the year ended 31/03/2018	For the year ended 31/03/2017
Current tax :		
Current tax	175.96	33.74
MAT Credit Entilement	(163.13)	(33.74)
Deferred tax	205.37	11.59
Total	**218.20**	**11.59**

A reconcilation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated below :

(Rs In Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Profit before tax	863.01	170.24
Enacted tax rate in india	27.552%	33.063%
Expected income tax expenses at statutory rate	215.81	56.29
Tax impact on account of		
Depreciation under income tax Act	(141.08)	(57.05)
Deduction allow under income tax law	(42.91)	(129.97)
Loss Carried Forward from PY	(39.76)	-
Others	20.77	0.68
Tax expense	**12.83**	**(130.05)**
MAT on PBT @ 20.39%	175.96	33.74
Tax expense pertaining to current year	**175.96**	**33.74**
Effective income tax rate	**20.389%**	**19.819%**

b)Current Tax Liabilities (Rs In Lakhs)

Particular	As at 31-03-2018	As at 31-03-2017	As as 31-03-2016
Current Tax Liabilties (Net)	175.96	23.36	-

DEFERRED TAX LIABILITIES

The majority of the deferred tax balance represent differential rates of depreciation for property ,plant and equipment under income tax act and disallowance of certain expenditure under income tax act .Significant

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

(Rs In Lakhs)

PARTICULAR	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Deferred Tax Liability :			
On account of depreciation	217.43	59.70	-
Others	0.37		-
Deferred Tax Asset :			-
Expenses allowed on payment basis	(0.84)	(0.40)	-
MAT Credit Entilement	(196.87)	(33.74)	-
Others		(13.97)	-
Deferred Tax (Asset) / Liabilities (Net)	**20.10**	**11.59**	-

(Rs In Lakhs)

Movement in MAT credit entitlement :	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Balance at the beginning of year	33.74	-	-
Add: MAT Credit entitlement availed during the year	163.13	33.74	-
Less : MAT Credit availed during the year			-
Balance at the end of year	**196.87**	**33.74**	-

17.BORROWINGS (CURRENT)

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
SECURED LOAN			
Working Capital Loans Repayable on demand From Bank	3,321.32	1,085.93	-
Total	**3,321.32**	**1,085.93**	-

Working Capital loan are secured by :

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

18.TRADE PAYABLES

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Creditors for Raw Material	947.40	486.55	-
Sundry Creditors for Others	96.69	-	-
Total	**1,044.09**	**486.55**	-

19.OTHER FINANCIAL LIABILITIES (CURRENT)

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Current maturities of long-term borrowings	249.34	88.96	-
Total	**249.34**	**88.96**	**-**

20.OTHER CURRENT LIABILITIES

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Advance from customer	8.66	8.49	-
Statutory Dues	18.95	89.35	-
Creditors for capital goods	525.82	493.32	85.15
Total	**553.44**	**591.16**	**85.15**

21.PROVISION (CURRENT)

(Rs In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for employee benefits	22.73	-	-
Provision for CSR	1.02	-	-
Other	35.78	76.55	0.06
Total	**59.54**	**76.55**	**0.06**

22.REVENUE FROM OPERATIONS

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Sale of products (including excise duty)	19,924.28	5,176.73
Revenue from Operations (Gross)	**19,924.28**	**5,176.73**

23.OTHER INCOME

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Interest income from financial assets measured at amortised cost	2.41	2.99
Interest from others		0.41
	2.41	**3.40**

24.COST OF MATERIAL CONSUMED

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Indigenous Raw Material	18,265.98	4413.87
	18,265.98	**4,413.87**

25.CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS & WIP

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017	Increase / Decrease
Inventories at the end of the year			
Finished goods	1,355.90	334.19	1,021.71
Scrap Material	40.39	11.47	28.92
Work-in-progress			
	1,396.29	**345.66**	**1050.63**

	Year ended March 31, 2017	Year ended April 1,2016	Increase / Decrease
Inventories at the beginning of the year			
Finished goods	369.84		369.84
Scrap Material	11.47		11.47
Work-in-progress			0.00
	381.31	**0.00**	**381.31**
Change in inventories of finished goods, traders goods and work in progress ((Increase)/Decre			**345.66**

26.EMPLOYEE BENEFIT EXPENSES

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Salaries, Wages, Bonus and Other Benefits	245.59	62.51
Staff Welfare Expenses	5.18	1.53
Provisions for Employees Benefits	6.14	
Contribution towards Provident & Other Funds	5.05	
	261.96	**64.04**

27.FINANCE COST

	Year ended March 31,2018	Year ended March 31,2017
		Rs. in Lakhs
Interest on borrowings	467.40	77.84
Other borrowings cost	38.59	12.30
	505.99	**90.14**

28.DEPRECIATION & AMORTISATION EXPENSES

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Depreciation Expenses	72.59	81.30
	72.59	**81.30**

29.OTHER EXPENSES

Rs. in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Power and Fuel	173.47	47.99
Insurance	1.67	
Repairs to:		-
Machinery	3.04	0.49
Others	0.33	
Sales Promotion	7.10	
Freight and Cartage Outward	245.73	58.68
Fee & Subscription	3.81	
Travelling and Conveyance	20.93	6.80
Rent	12.44	1.94
Legal or Professional Consultation Charges	9.80	2.54
Vehicle Running and Maintenance	5.66	
Security Services	6.35	2.38
Miscellaneous expenses	11.01	15.55
	501.33	**136.37**

Provision for CSR for FY 18 was Rs 1.02 Lakhs (Previous year Nil) is included in Misc. Expenses

Auditors remuneration (exculding GST / Service tax) included in Legal or professional (Rs in Lakhs)

Particular		For the year ended 31-	For the year
a)For Statutory Audit		4.30	0.45
b) For Tax Audit		1.00	0.05
Total		**5.30**	**0.50**

30.EARNING PER SHARES

(Rs in Lakh)

Particular	For the year ended 31-03-2018	For the year ended 31-03-2017
Basic & Diluted		
A)Profit attributable to equity shareholder (in Rs Lakh)	644.81	158.65
B)Weighted average number of equity shares (in Nos)	23,60,000	7,32,500
C)Basic and Diluted EPS(Rs.) (A/B)	27.32	21.66
Face value per shares (Rs)	10.00	10.00

31.Employee Benefits

a)Defined Contribution Plans , Contribution to defined contribution plans,recognized as an expenses for the year is under

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Employers'Contribution to provident Fund(included pension fund)	2,98,859.00	-
Empoyers'Contribution to Employees state insurance	2,06,448.00	-

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 at31 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

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	1,20,758	2,83,033
Fair value of Plan Assets	--	--
	1,20,758	2,83,033
Unrecognized Asset due to the Asset Ceiling	--	--
Net Defined Benefit (Assets) / Liability Recognized in Statement of Financial Position	1,20,758	2,83,033

Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income during the Period	31/03/2017	31/03/2018
Total Charge/(Credit) Recognised in Profit and Loss	1,20,758	2,26,762
Total Amount Recognised in Other Comprehensive Income (OCI) (Gain) / Losses	--	(64,487)

1.	Change in Defined Benefit Obligation	31/03/2017	31/03/2018
a)	Defined Benefit obligation, beginning of period	--	1,20,758
b)	Interest Cost on DBO	--	9,492
c)	Net Current Service Cost	1,20,758	2,17,270
d)	Actual Plan Participants' Contributions	--	--
e)	Benefits Paid	--	--
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	--	(64,487)
k)	**Defined Benefit Obligation, End of Period**	**1,20,758**	**2,83,033**

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	1,20,758	2,17,270
b)	Net Interest Cost	--	9,492
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**	**1,20,758**	**2,26,762**

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	--	--
b)	**Remeasurements Due to :**		
	1.Effect of Change in Financial Assumptions	--	(13,913)
	2.Effect of Change in Demographic Assumptions	--	--
	3.Effect of Experience Adjustments	--	(50,574)
	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**	--	**(64,487)**
d)	**Amount Recognized in OCI (Gain)/Loss, End of Period**	--	**(64,487)**

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	1,20,758	2,26,762
b)	Amount recognized in OCI, End of Period	--	(64,487)
c)	**Total Net Defined Benefit Cost/(Income) Recognized at Period-End**	**1,20,758**	**1,62,275**

6.	Reconciliation of Balance Sheet Amount	31/03/2017	31/03/2018
a)	Balance Sheet (Asset)/Liability, Beginning of Period	--	1,20,758
b)	True-up	--	--
c)	Total Charge/(Credit) Recognised in Profit and Loss	1,20,758	2,26,762
d)	Total Remeasurements Recognised in OC (Income)/Loss	--	(64,487)
e)	Acquisition /Business Combination / Divestiture	--	--
f)	Employer Contribution	--	--
g)	Benefits Paid	--	--
h)	Other Events	--	--
i)	**Balance Sheet (Asset)/Liability, End of Period**	1,20,758	2,83,033

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	711	2,459
b)	Non-Current liability	1,20,047	2,80,574
c)	**Net Liability**	**1,20,758**	**2,83,033**

11.	Defined Benefit Obligation by Participant Status	31/03/2018
a)	A. Actives	2,83,033
b)	B. Vested Deferreds	---
c)	C. Retirees	---
d)	**Total Defined Benefit Obligation**	**2,83,033**

12.	Sensitivity Analysis	
a)	Defined Benefit Obligation – Discount Rate +100 Basis Points	(29,423)
b)	Defined Benefit Obligation – Discount Rate -100 Basis Points	36,163
c)	Defined Benefit Obligation – Salary Escalation Rate +100 Basis Points	37,065
d)	Defined Benefit Obligation – Salary Escalation Rate -100 Basis Points	(30,544)

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 %

32.Financial Instrument

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 externaly 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 oppurtunities 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.

A) Capital risk management

Particulars	As at 31-03-2018	As at 31-03.-2017	As at 01-04-2016
Long term borrowings	3,285.44	2,318.71	72.76
Current maturities of long term debt	249.34	88.96	-
Short term borrowings	3,321.32	1,085.93	-
Less : Cash and cash equivalents	29.46	4.35	0.83
Less :Bank Balance other than cash and cash equivalents	24.62	50.10	-
Net Debt	6,910.18	3,548.05	73.59
Total Equity	1,122.04	477.23	67.48
Gearing Ratio	6.16	7.43	1.09

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

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 relationto 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.

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.

33.Operating Lease

a)As Lessor :

The Company has not eneterd in any Leasing arrangement .

b) As Leasee :

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 periodic basis by mutual consent of both parties. All the operating lease are cancellable by either parities for any reason by giving prior notice .There is no rectriction 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 31-03-2018	For the year ended 31-03-2017
Minimum lease payment made on operating lease	12,43,851.00	1,94,000.00

34.Related Party Disclosures

A. Names of Related parties and nature of relationship:

Nature of Relationship	
Holding Company	Hi - Tech Pipes Limited
Director	Mr. Ajay Kumar Bansal
	Mr.Vipul Bansal
	Mr. Anish Bansal

(Rs in Lakh)

B.Transaction with Related Parties	For Year ended 31-03-2018	For Year ended 31-03-2017
Rent Expense		
Ajay Kumar Bansal	3.60	-
Remunation Paid		
Vipul Bansal	36.00	
Interest Paid		
Hi-Tech Pipes Ltd	50.00	116.32

(Rs in Lakh)

C.Amount due to / from related parties	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured Loan			
Hi Tech Pipes Ltd	215.62	619.28	-
Rent Payable			
Ajay Kumar Bansal	0.97	-	
Remuneration Payable			
Vipul Bansal	3.00	-	
Due to Director	**1,783.16**	**686.26**	**72.76**

35.Contingent Liabilities

Particular	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Guarantee	-	-	-

Note s:

There is no any such gurantee given to any authorites by company

36.Commitments

Particular	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Estimated value of capital commitments	-	-	-

37.First time adoption Ind AS reconciliation

A. Reconciliations of Balance Sheet

(Rs in Lakhs)

			As at 31.03.2017			As at 31.03.2016		
	DESCRIPTION	**Note No.**	**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**
I	ASSETS							
	Non-Current Assets							
	(a) Property, Plant & Equipments	2	1,453.14	-	1,453.14	133.12	0.00	133.12
	(b) Capital Work-in-Progress	3	466.17	-	466.17		-	
	(c) Financial Assets							
	(i) Investments	4	0.03	-	0.03		-	
	(ii) Loans	5		(11.72)	11.72	4.37	4.37	
	(d) Other non-current assets	6	108.00	11.72	96.28	-	(4.37)	4.37
	Total Non-Current Asset		**2,027.35**	**-**	**2,027.34**	**137.50**	**0.00**	**137.49**
	Current Assets							
	(a) Inventories	7	873.62	-	873.62		-	-
	(ii) Trade receivables	8	1,759.56	-	1,759.56		-	-
	(iii) Cash and cash equivalents	9	54.45	50.10	4.35	0.83	-	0.83
	(iv) Bank balances	10		(50.10)	50.10		-	
	(v) Loans		446.27	446.27	-	87.12	-	87.12
	(d) Other current assets	11		(446.27)	446.27		-	
	Total Current Assets		**3,133.90**	**-**	**3,133.90**	**87.95**	**-**	**87.95**
	Total Assets		**5,161.25**	**-**	**5,161.24**	**225.45**	**-**	**225.45**
II	**EQUITY AND LIABILITIES:**							
	Shareholders Funds							
	(a) Equity Share Capital	12	236.00	-	236.00	50.00	-	50.00
	(b) Other Equity	13	238.54	(2.69)	241.23	17.48	-	17.48
	Total Equity		**474.54**	**(2.69)**	**477.23**	**67.48**	**-**	**67.48**
	Non-Current Liabilities							
	(a) Financial Liabilities							
	(i) Borrowings	14	2,323.48	4.77	2,318.71	72.76	-	72.76
	(ii) Other financial liabilities		-	-		-	-	-
	(b) Provisions	15	1.20	-	1.20	-	-	-
	(c) Deferred tax liabilities (Net)	16	9.50	(2.09)	11.59	-	-	-
	(d) Other non-current liabilities		-	-		-	-	-
	Total Non-Current Liabilities		**2,334.19**	**2.69**	**2,331.50**	**72.76**	**-**	**72.76**
	Current Liabilities							
	(a) Financial Liabilities					-		
	(i) Short-Term Borrowings	17	1,085.93	(0.00)	1,085.93	-	-	-
	(ii) Trade payables	18	486.55	(0.00)	486.55	-	-	-
	(iii) Other financial liabilities	19		(88.96)	88.96	-	-	-
	(b) Other current liabilities	20	721.01	129.85	591.16	85.15	-	85.15
	(c) Provisions	21	59.02	(17.53)	76.55	0.06	-	0.06
	(d) Current Tax Liabilities (Net)	0		(23.36)	23.36	-	-	-
	Total Current Liabilities		**2,352.51**	**0.00**	**2,352.51**	**85.21**	**-**	**85.21**
	Total Liabilities		**4,686.70**	**2.69**	**4,684.01**	**157.97**	**-**	**157.97**
	Total Equity & Liabilities		**5,161.24**	**-**	**5,161.24**	**225.45**	**-**	**225.45**

First time adoption Ind AS reconciliation

B. Reconciliation of total comprehensive income for the year ended March 31, 2017

(Rs in Lakh)

	Particulars	Note	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I	Revenue from operations	22	5,176.73		5,176.73
	Less: Excise Duty		569.83	(569.83)	-
	Income From Operatios (Net)		**4,606.90**	**(569.83)**	**5,176.73**
II	Other income	23	3.40	-	3.40
III	**Total income (I + II)**		**4,610.30**	**(569.83)**	**5,180.13**
IV	**Expenses:**				
	Cost of materials consumed	24	4,413.87	-	4,413.87
	Purchases of stock-in-trade	0	-	-	
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(345.66)	-	(345.66)
	Employee benefits expense	32	64.04	-	64.04
	Finance costs	33	94.91	4.77	90.14
	Depreciation and Amortization Expenses	34	81.30	(0.00)	81.30
	Excise Duty Expense	31		(569.83)	569.83
	Other expenses	35	136.37	-	136.37
	Total expenses		**4,444.83**	**(565.07)**	**5,009.89**
V	**Profit before exceptional items and tax (III-IV)**		**165.47**	**(4.76)**	**170.24**
VI	**Exceptional items**		-	-	-
VII	**Profit/(loss) before tax (V-VI)**		**165.47**	**(4.76)**	**170.24**
VIII	**Tax expense/(benefit):**	36			
	Current tax		33.74	-	33.74
	Deferred tax		9.50	(2.09)	11.59
	MAT Credit Entitlement		(33.74)	-	(33.74)
			9.50	**(2.09)**	**11.59**
IX	**Profit/(loss) for the years (VII-VIII)**		**155.96**	**(2.68)**	**158.65**
X	**Other comprehensive income**				
XI	**Total comprehensive income / (loss) (IX + X)**		**155.96**	**(2.68)**	**158.65**

C Effects of IND AS adoption on Total Equity

(Rs in Lacs)

Particulars	Note below	As at 31.03.2017	As at 01.04.2016
Net Worth under IGAAP		**474.54**	**67.48**
Financial liabilities at amortised cost		4.77	-
Deferred taxes		(2.09)	-
Other IND-AS adjustments		-	-
Net Worth under IND AS		**477.22**	**67.48**

D Effects of IND AS adoption on Cash Flows for year ended 31 March 2017

(Rs in Lacs)

	Note	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities		(1,478.81)	0.05	(1,478.86)
Net cash generated from/(used in) investing activities		(1,963.81)	46.65	(2,010.46)
Net cash generated from/(used in) financing activities		3,496.24	3.40	3,492.84
Net increase/(decrease) in cash and cash equivalents		**53.62**	**50.10**	**3.52**
Cash and cash equivalents at start of year/period		0.83	-	0.83
Cash and cash equivalents at close of year/ period		**54.45**	**50.10**	**4.35**

E Notes to the First Time Adoption of Ind AS to the Reconciliation of Financial Statements

i) 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.

ii) 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	19,924.28	5,176.73
Less : Excise Duty	506.46	569.83
Revenue from Operations net of GST & Excise Duty	19,417.82	4,606.90

iii) 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

38.Additional Information

PARTICULAR	As at 31-03-2018	As at 31-03-2017	(Rs in Lakhs) As at 01-04-2016
a)CIF Value of import	-	-	-
b) Foreign Currency Earnings	-	-	-
c) Foreign Currency Expenditure	-	-	-

As per our report of even date
For A.N. Garg & Company
Chartered Accountants
ICAI Regn No.004616N

Per A.N. Garg
Partner
Membership No.083687

New Delhi, May 14, 2018

For and on behalf of Board

Ajay Kumar Bansal
Director
DIN 01070123

Vipul Bansal
Director
DIN 00670203