



PROVING OUR METTLE.

 **HARIOM**
PIPES | SCAFFOLDING | COILS

ANNUAL REPORT 2017-18

FY 2017-18: KEY ACHIEVEMENTS

NET REVENUE ₹105.36 CRORE 20.16% ▲	EBITDA ₹15.51 CRORE 112.46% ▲	NET WORTH ₹22.80 CRORE 34.33% ▲
PROFIT AFTER TAX ₹6.48 CRORE FOUR-TIMES ▲	TOTAL GROSS PRODUCTION 66,005 MTPA 41.54% ▲	TOTAL NET PRODUCTION 29,429 MTPA 11.00% ▲

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PROVING OUR METTLE.

We at Hariom Pipe Industries Limited (Hariom Pipe) have come a long way from our humble beginnings in 2007. Starting out as a trading company, we have evolved into a premier manufacturer of steel products.

Our product excellence signifies an unmatched quality focus and manufacturing competence. We are now undertaking a massive expansion programme to augment our capacities in manifold ways, thereby, diversifying our offerings and broadening the portfolio of our value-added products.

We are striving to prove our mettle as an end-to-end steel manufacturer and enter the next orbit of growth and are exploring opportunities in key overseas markets. Our steady record of delivering a strong performance and achieving profitable growth, along with robust execution capabilities, empowers us as we keep up the pace of progress.

WHO WE ARE



Hariom Pipe Industries Limited (Hariom Pipe) is part of the prestigious Hariom Group founded by Shri. Hariom Golas in 1962. We are an eminent iron and steel company with a strong brand equity in South India 2007, we were incorporated as Hari Om Concast and Steels Private Limited.

Today, we manufacture a wide range of products spanning MS billets; Hot-rolled (HR) Skelps; MS Pipes in square, rectangular and round shapes; D-shaped Pipes and scaffolding systems, among others, at our state-of-the-art manufacturing facility in Sheriguda Village, Telangana. Spread across 2.39 hectares, this facility has a capacity of 29,760 metric tonnes (mt) for induction furnace, 21,000 mt for rolling mill, 20,800 mt for piping mill and 500 mt for scaffolding products. Our products are distributed through a thriving network of 1,377+ retailers. The name of our Company was changed to Hariom Pipe Industries (Private) Limited from Hariom Concast And Steels (Private) Limited on 27th December 2017 and subsequently

the Company was converted into a Public Limited Company and renamed as Hariom Pipe Industries Limited on 17th January 2018. We are an ISO 9001:2015 and IS 2830:2012 certified company, with a proven execution track record. Over the years, we have maintained a stable financial profile. We work in close co-ordination with our customers, spread across various industries, including:

- Railways
- Infrastructure
- Cement and offshore industries
- Sewage treatment
- Petroleum refineries
- Electric power plants
- Food processing plants

- Chemicals
- Textiles
- Paper mills
- Furniture
- Bicycles/Motor cycles
- Doors and windows
- Industrial plant structure
- Auto fabrication
- Container fabrication
- Supermarket racks
- Transportation
- Processing
- Solar Panels
- National Highways

Over the next few months, we are looking to get listed on the stock markets and thereby unlock substantial value in our business. The Initial Public Offer (IPO) will provide us with the various benefits of being a listed entity. We will use the funds so raised in expanding our existing capacities.



OUR VISION

Hariom Pipe wishes to be one of the top-notch iron and steel suppliers in its segment, catering to the need of the industries.

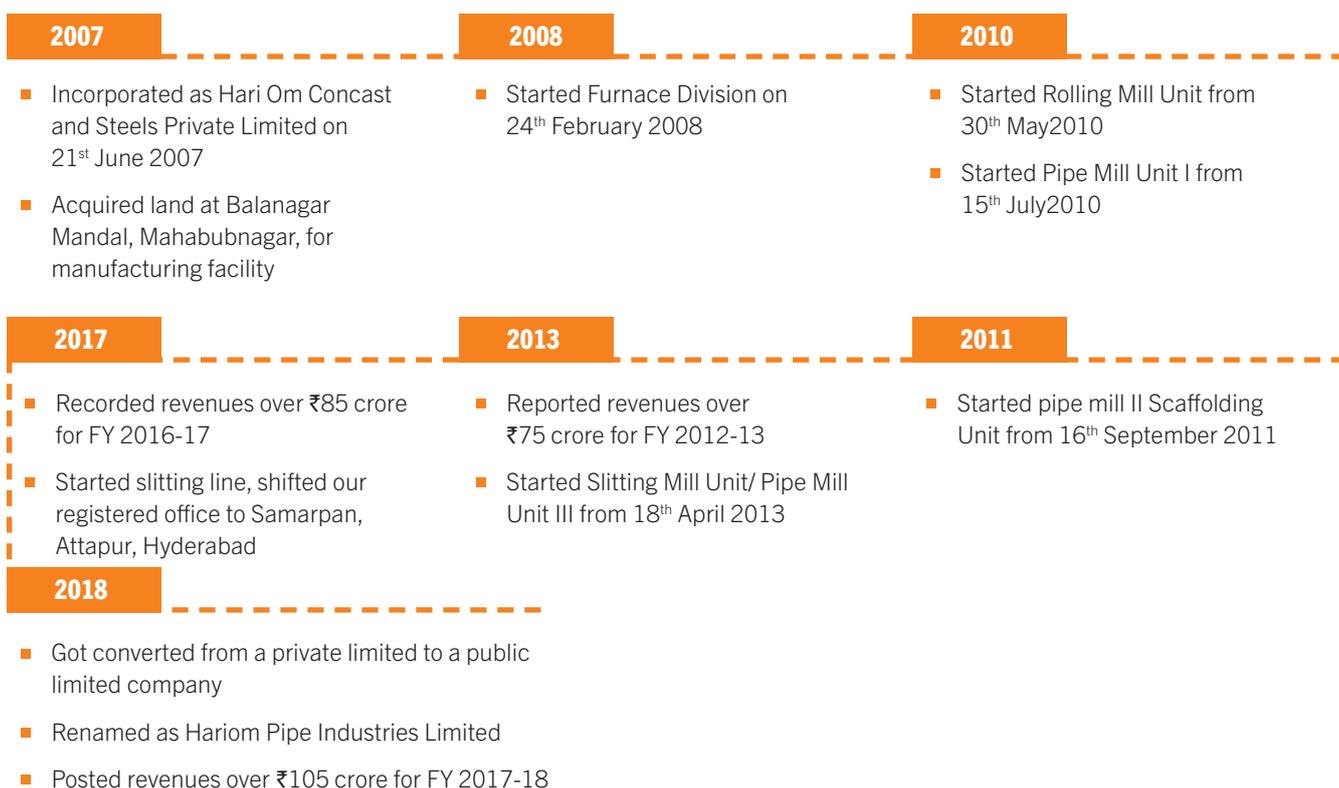


OUR MISSION

Hariom Pipe, with an objective of will to work, believes in bringing development in the society, with our sole mission to make our nation a better place to live and help towards building a robust economy coupled with strong infrastructure.

OUR JOURNEY SO FAR

We have grown rapidly over the past decade and have undertaken five major expansions since our inception:



OUR PRODUCT SUITE

We manufacture 200+ products, which are marketed and sold all over South India.

Mild Steel (MS Pipes) and Tubes

These pipes are made using HR steel strips.

We develop superior quality round steel pipes, square steel pipes, rectangular steel pipes and D-shaped pipes and railing pipes.

Applications

Round steel pipes

- Construction industry
- Automotive industry
- Industrial uses (green houses, poultry farms etc)
- Playground equipment

Square steel pipes, square steel tubing and structural steel pipes

- Cement and offshore industries
- Sewage treatment
- Petroleum refineries
- Electric power plants
- Food processing plants
- Chemicals
- Textiles
- Paper mills

Rectangular tubes and pipes

- Furniture
- Doors and windows
- Industrial plant structure
- Auto fabrication
- Container fabrication
- Gym equipment
- Supermarket racks

D-shaped pipes and railing pipes:

- Processing
- Other industries

Scaffolding Systems

Scaffolding systems are a series of temporary work platforms erected on a construction site to allow workers to perform tasks above ground level.



We manufacture supported platform systems, suspended scaffold and adjustable scaffolding systems, among others.

Applications

- Construction industry

HR Skelps/Coils

These products are processed after the HR operation is carried out on MS billets in the rolling mill.

Applications

- Simple bends
- Complex draws
- Structural applications



MS Billets

We develop a wide range of best-quality billets for manufacturers of quality steel products to rolling mills from 100 sq mm to 200 sq mm squares of various sizes and slabs various sizes.

Applications

- Rolling of TMT Re-Bars of Fe500 and Fe550 Grades
- Various other structural steel products like round bar, flat bar
- Angles, channels and girders

OUR MARQUEE CLIENTS



OUR PRESENCE

- | | | |
|--|---|--|
| <p>1 TELANGANA
256
Dealers across
19 District</p> | <p>2 ANDHRA PRADESH
275
Dealers across
13 District</p> | <p>3 KARNATAKA
445
Dealers across
22 District</p> |
| <p>4 TAMILNADU AND KERALA
402
Dealers across
9 District</p> | | |



1,377+
DEALER NETWORK IN
SOUTH INDIA

MANAGING DIRECTOR'S MESSAGE

THINKING FUTURISTIC



Dear Shareowners,

It gives me immense pleasure to share with you our 11th Annual Report. We accomplished an outstanding performance during FY 2017-18, which strengthened our belief in our strategies, as well as our execution capabilities. We believe, we are on the right path towards achieving our long-term goals and aspirations. We are planning to get listed on the bourses soon, which will lead to significant unlocking of value, providing us the requisite capital for growth.

A watershed year for the Indian economy

FY 2017-18 was a landmark year for India's economy as the country embraced the Goods and Services Tax (GST), which provided the long-pending indirect tax reform. Despite some disruptions as a result of this reform, the economy soon revived and recorded a growth rate of 6.7% during the year. Though this was lower than the 7.1% growth recorded in FY 2016-17, the economy geared to reach 7.7% in the last quarter of FY 2017-18. This momentum is likely to continue in the current fiscal as the economy adjusts to this mammoth reform and gets back on track. Accordingly, the Reserve Bank of India has estimated India's GDP growth at 7.4% during FY 2018-19.

A buoyant domestic steel industry

During the year, India's steel production grew 4.5% to its highest-ever level of 102 million tonnes. A large part of this growth can be attributed to the facilitative policy environment created by the Government of India (GoI) for the sector. The GoI has been proactive in addressing the issues faced by domestic steel makers and has undertaken major steps to protect their interests. This was accompanied by an all-round improvement in the growth of the automobile, infrastructure and capital goods sectors, which are the major consumers of finished steel products. India's steel demand grew at a rate of 7.9% to 91 million tonnes during FY 2017-18 and is pegged at 8.3% for the ongoing fiscal (Source: Joint Plant Committee).

A stellar performance by Hariom Pipe

Our Company delivered excellent performance on all parameters during the year. Our net production stood at 29,429 metric tonnes per annum (mtpa), up 11.00% on a year-on-year basis, while our sales volumes grew 3.04% year-on-year to 28,840 mtpa. The healthy production and volume numbers translated into robust revenues, as well as profitability for us. During FY 2017-18, our revenues stood at ₹105.37 crore, registering a growth of 20.16% over the previous year. Owing to a healthy momentum in our revenues and our focus on achieving higher cost optimisation, our EBITDA increased more than two times to ₹15.51 crore as compared to the previous year. At the same time, we were able to efficiently absorb the high inflation in prices of our key raw materials and consequently, our net profit surged four folds to ₹6.48 crore.

During the year, we kickstarted an expansion programme to derive substantial backward and forward integration for our Company. This project, once complete, will take us to the next level of growth and convert us to a complete steel manufacturing entity.

A promising future

Looking ahead, we have put in place well-defined strategic priorities for our Company. On one hand, we will expand the geographic reach of our existing business and further enhance its prospects, while on the other, we will introduce more value-added products in our portfolio through the ongoing capacity expansion. We are on track to commission the new capacities by March 2019. We have identified international markets and Engineering, Procurement and Construction (EPC) contracts for select projects (green house in agriculture, solar panel structures and so on) as future growth areas. As we prepare to get listed on the bourses, our ability to tap into the capital markets to raise capital in the long term would also increase substantially.

As we continue our journey towards delivering sustainable value for our stakeholders, I would like to thank them all for reposing confidence in our strategies and objectives. I would like to extend my heartfelt gratitude towards customers, employees, business partners and communities around us for their relentless support towards the organisation. Finally, I look forward to your continued and valuable support going forward.

Regards,

Rupesh Kumar Gupta
Managing Director

LEADING WITH PRUDENCE



Pramod Kumar Kapoor
Chairman and Independent Director

Mr. Pramod Kumar Kapoor has obtained his bachelor's degree in Textile Technology from Birendra Narayan Chakrabarty University, Kurukshetra. He has 42 years of experience in Production, Quality Control, Research and Development (R&D) and Marketing in the textile industry. He has worked as President – Marketing in Visaka Industries Limited for 22 years. Currently, he is working as an advisor for Visaka Industries Limited.



Rupesh Kumar Gupta
Managing Director

Mr. Rupesh Kumar Gupta is the founder of our Company and has been the main guiding force behind our business strategies and growth. He has almost a decade of experience in the steel industry.



Sailesh Gupta
Whole-time Director

Mr. Sailesh Gupta has over seven years of experience in the marketing domain. He is a graduate from Pragati Mahavidyalaya Degree College. He has been the backbone of our Company for identifying, negotiating and implementing new business opportunities. Also, he has played a crucial role in team building and client addition for us.



Sunita Gupta
Non-executive Director

Mrs. Sunita Gupta has more than three years of experience in the steel industry. As a Non-executive Director, she is responsible for providing her expertise for the growth and expansion of our Company.



Santosh Kumar Rathi
Independent Director

Mr. Santosh Kumar Rathi has completed his master's degree in Commerce from the University of Indore. He has rich experience of over 47 years in the field of banking and finance and has worked for State Bank of Indore for more than 23 years. As Independent Director of our Company, he is responsible for handling the finance and marketing departments. He is also a member of various committees formed by our Company.

STEERED BY AN EXPERIENCED TEAM



Rupesh Kumar Gupta

Managing Director

Mr. Rupesh Kumar Gupta is the founder of our Company and has been the main guiding force behind our business strategies and growth. He has almost a decade of experience in the steel industry.



Amitabha Bhattacharya

Chief Financial Officer

Mr. Amitabha Bhattacharya has over 19 years of experience across varied industries. He has completed his bachelor's degree in Commerce and is a qualified MCA. Before joining us, he has worked in companies such as Jit Polycraft, Avro Impex (P) Limited, Tm Tyres & Tubes (P) Limited, Gati Limited and Chimanlal Suresh Kumar Textile (P) Limited.



Chirag Partani

Company Secretary and Compliance Officer

Mr. Chirag Partani has completed his bachelor's degree in Commerce and is a qualified Company Secretary. He also has a degree in LLB. He has over four years of experience and has worked with Aarv Infratel Limited before joining us.



Rakesh Kumar Gupta

Adviser to Strategy and Finance

Mr. Rakesh Kumar Gupta is currently working as Adviser to Strategy and Finance.



Ashok Gupta

General Manager Production

Mr. Ashok Gupta has a master's degree in Economics. He has over 26 years of experience in the steel industry. Prior to joining us, he has worked with M/s Rohini Strips Limited, M/s Rohini Fibre Limited, M/s Magnum Steel Limited and M/s Devashree Ispat Private Limited.



Ashish Agarwal

Marketing Head

Mr. Ashish Agarwal has completed his MBA from the Osmania University. He has more than a decade of experience in the steel industry.

OUR STRONG FUNDAMENTALS

Revenues (₹in crore)

2013-14	84.61
2014-15	69.68
2015-16	74.10
2016-17	87.69
2017-18	105.37

EBITDA (₹in crore)

2013-14	3.65
2014-15	5.48
2015-16	2.83
2016-17	7.30
2017-18	15.51

EBITDA margin (%)

2013-14	4.31%
2014-15	7.86%
2015-16	3.82%
2016-17	8.32%
2017-18	14.72%

Net profit (₹in crore)

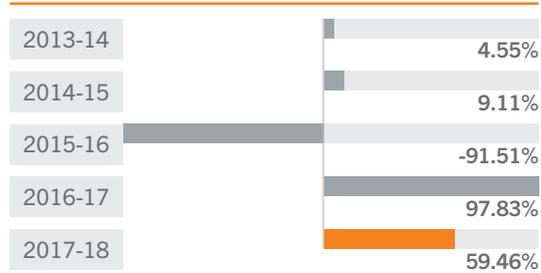
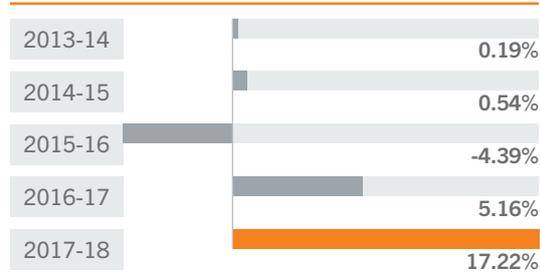
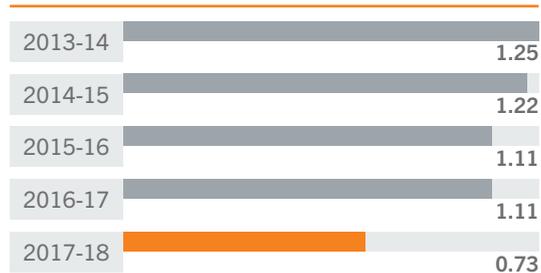
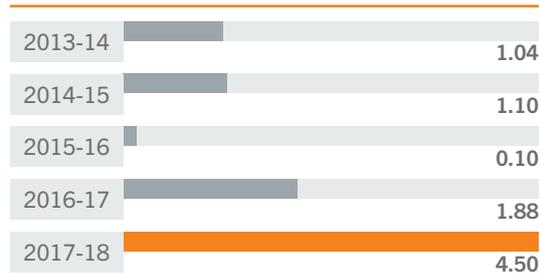
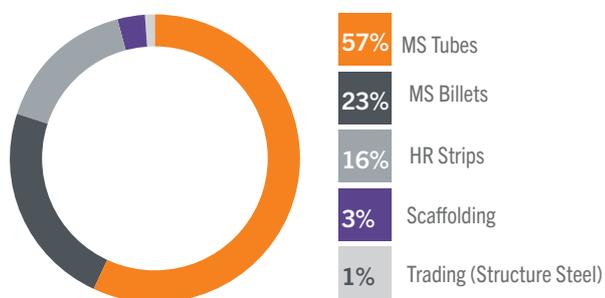
2013-14	0.08
2014-15	0.15
2015-16	-1.53
2016-17	1.63
2017-18	6.48

Earnings per Share (EPS) (₹)

2013-14	0.46
2014-15	0.91
2015-16	-9.15
2016-17	1.75
2017-18	5.99

Net Worth (₹in crore)

2013-14	13.41
2014-15	13.55
2015-16	15.34
2016-17	16.98
2017-18	22.80

Return on Equity (RoE) (%)**Return on Assets (RoA)** (%)**Debt/Equity** (x)**Interest coverage ratio** (x)**Revenue mix: FY 2017-18**

EMERGING OPPORTUNITIES

1 STRONG PROSPECTS OF TELANGANA

The state government of Telangana has initiated multiple growth enablers by implementing various measures such as a new industrial policy, among others, to improve the ease of doing business in the state. The state government is also placing higher impetus on innovation and technology initiatives across different industries. Given the healthy prospects of steel-consuming industries such as automotive, defense and aerospace manufacturing, among others, regional players having a strong positioning and offering high-quality products stand to benefit. Robust regional players like us are well poised to capitalise on this opportunity.

Gross State Domestic Product

FY 2017-18: 10.4%
FY 2018-19E: 15.0%

Source: PRS Legislative Research (PRS)
E: Estimated

3 IMPROVING DEMAND FOR VALUE-ADDED PRODUCTS

Prominent sectors that consume steel, such as infrastructure, oil and gas, and automobiles, among others are stepping up demand for value-added steel products. These products enhance aesthetics, efficiency, as well as utility of the end products manufactured by these industries. Simultaneously, they also generate higher margins for steel makers, offering better future prospects for this segment.

We are planning to enter into value-added products and enrich the quality of our earnings

2 FAVOURABLE POLICY ENVIRONMENT

Over the last four years, the Government of India has adopted a proactive stance in protecting the interests of domestic players through anti-dumping duties and similar policies. Going forward, implementation of the National Steel Policy (NSP), which is targeted at making India a self-sufficient steel-producing country by 2030, will be a major game changer for domestic steel players.

Crude steel production (million tonnes)

FY 2017-18 actuals: 102
NSP target by FY 2030-31: 300

Per capita steel consumption (kg)

FY 2017-18 actuals: 69
NSP target by FY 2030-31: 160

Source: Joint Plant Committee

4 FOCUS ON IMPORT SUBSTITUTION

The Government of India (GoI) is driving concentrated efforts to help indigenous manufacturers through ambitious initiatives like Make in India and implementation of short-term safeguards to curb imports. These policies are likely to bring improved prospects for domestic steel players.

The National Steel Policy aims to bring down steel imports in India to nil by 2030-31

Recently, the GoI extended anti-dumping duty on imported steel products

OUR STRATEGIC PRIORITIES

We intend to strategically capitalise on the macro opportunities by:

1 EXPANDING OUR GEOGRAPHIC FOOTPRINT

We have a prominent presence in the markets of South India. Looking ahead, our focus will be on venturing into new geographies. We have identified and shortlisted certain strategic new markets that offer significant demand and at the same time, allow us to keep a check on our incremental logistics costs.

Our aim is to tap into unexplored markets while reinforcing our presence in the existing ones.

2 ENHANCING OUR PRODUCTION CAPACITY

We are planning to expand our capacities for manufacturing value-added products across our furnace, rolling mill and pipe units. Addition of value-added products in our portfolio would aid our revenues as well as profitability. Post this expansion, our revenue could multiply three fold compared to the current levels.

Multiplying capacities

Induction furnace: **2.5 times**
Rolling mill: **4.0 times**
Piping mill and Scaffolding units: **4.1 times**

3 INCREASING OUR OPERATIONAL EFFICIENCY

Given the finite nature of resources, we believe manufacturing companies like us must drive to achieve optimum utilisation of resources and reduce wastes. For us, operational efficiencies also extend in the domains of quality control, upskilling our people, upgradation of our machinery, faster asset turnover and higher customer satisfaction.

EBITDA margin (%)

FY 2016-17: **8.32%**
FY 2017-18: **14.72%**

4 BUILDING A MORE ROBUST WORKFORCE AND ORGANISATION

It is our constant endeavour to inculcate a culture of learning and skill upgradation among our team. Our leadership team is offering guidance to our people by leveraging its rich and varied experience. Additionally, we undertake periodic training initiatives to enhance the professional efficiency of our people and increase their awareness of the best industry practices. Similarly, we are continuously striving to improve transparency across our operations.

Total training hours for our employees **48**

Combined years of experience of our leadership team **17 years**

OUR VALUE PROPOSITION

Our business has certain inherent strengths that, we believe, will empower us to create long-term, sustainable value for our investors.



FULLY INTEGRATED PLANT

Our state-of-the-art plant in Telangana is a fully integrated plant, equipped to handle everything from sourcing raw materials to manufacturing finished steel products. The output of one process is used as an input for the next process, which in turn drives higher efficiencies at the plant.

Additionally, the plant's strategic location offers us multiple benefits. We enjoy quick and efficient access to raw materials, skilled and unskilled workforce (available around Hyderabad and nearby villages, respectively) and essential resources like water and power continuously.

Our plant is located in close proximity to the city of Hyderabad, which brings in multiple benefits.



DIVERSIFIED PRODUCT PORTFOLIO

Our Company offers a diversified product portfolio that addresses the needs of a wide set of customers. Our products are used in multiple industries, thereby enabling us to capture

the upsides in these industries. Our stringent manufacturing processes go a long way in ensuring the quality standards of our products.

We offer over 200 products to varied industries.



PRESENCE OF MULTIPLE LONG-TERM GROWTH DRIVERS

Our existing business continues to witness healthy traction and we are confident of developing it successfully in the foreseeable future. Additionally, we are also embarking on substantial expansion of our geographic reach and our capacities. This expansion will be across existing

products, MS pipes as well as new segments such as EPC contracts. International market is another major focus area for our future. Overall, there are multiple growth engines to drive our future prospects.

We are setting up strategies for all-round expansion in domestic and international markets, as well as across products to fuel future growth of our Company.



AGILITY OF OUR BUSINESS MODEL

The integrated nature of our operations lends us tremendous flexibility to adapt to a dynamic business environment. The agility of our business model is one of our biggest strengths as it empowers us to alter our product mix in sync with developments in the steel industry (according to demand and price cycle).

Our induction furnace plant output, i.e. MS billets, can be segregated and may be sold or provided as an input for the rolling mills.

The output of rolling mill, i.e. HR Skelps, can be sold as well as used as an input for MS tubes.



EXPERIENCED MANAGEMENT TEAM

The rich experience of our management team in the steel industry has been the primary source of our growth so far. Their vision and strategies have defined our future trajectory and it is because of their continued guidance that we have executed our strategies in a timely and efficient manner.

Our experienced management team has empowered us to mitigate the risks facing our business.



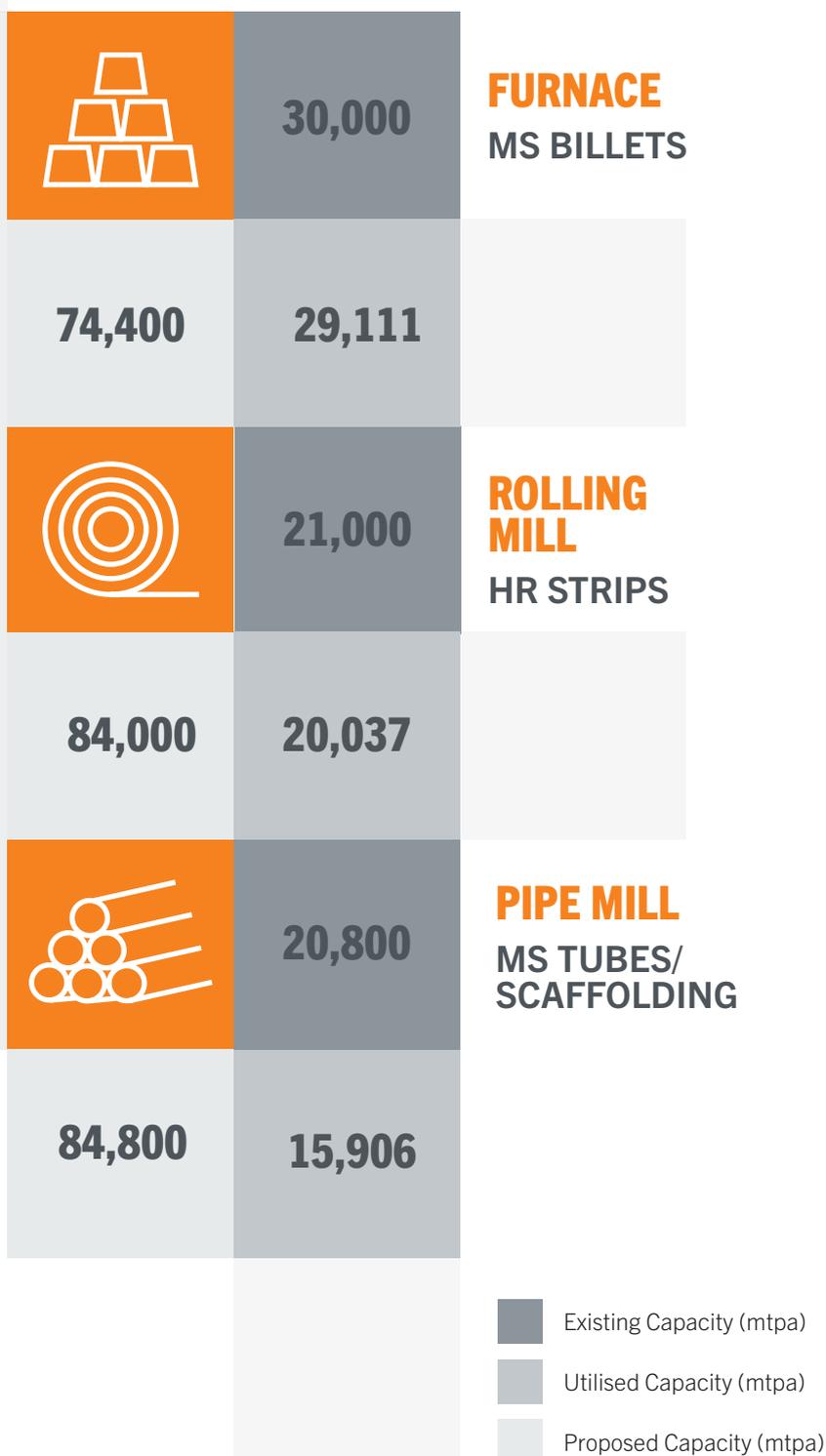
BOLSTERING CAPACITIES FOR FUTURE



We are pursuing a capacity expansion programme that will take our organisation to the next orbit of growth, converting it to a full-fledged steel manufacturing plant. Under this programme, we will multiply our existing capacity across various segments: induction furnace (2.25 times), rolling mill (3.5 times) and piping mill and scaffolding units (4.1 times).

We have appointed technical and production consultants for this proposed expansion plan and have awarded the civil contract for this project. Construction has begun at a rapid pace at the site and we are in the advanced stages of procuring machinery. We expect it to commence by March 2019.

Our large-scale expansion strategy is aligned to our aspiration of catering to the potential rise in demand for MS pipes, especially in global markets. We will also undertake forward integration through this expansion by entering into value-added products such as profile units, which are used for Unplasticised Polyvinyl Chloride (UPVC) windows; structure for solar panels; crash guard for highways; purlins for Pre-engineered Building (PEB) structures and so on. We would also undertake EPC contracts for the green houses used in agriculture, scaffoldings and so on.



ENSURING CONSISTENT SUPPLY OF RAW MATERIAL

SECURING RAW MATERIAL EFFICIENTLY FOR A SEAMLESS FUTURE



Our primary raw materials are steel-melting scrap, sponge iron and pig iron/cast iron. These raw materials are used in the induction furnace and the average ratio of these raw materials is: scrap iron 40% + sponge iron 60% + pig iron 10%. We have put in place prudent strategies to ensure seamless supply of these raw materials to our plant throughout the year. We source these inputs from the open market and have also formed tie-ups with suppliers for these inputs. Thus, we are able to secure good-quality raw materials at reasonable prices from the market.

A key distinguishing factor of our plant is that we make our own raw materials from scrap. Once the steel-melting scrap, sponge iron and pig iron/ cast iron are processed in the induction furnace, MS billets are produced, which are then used as an input for the rolling mill. Similarly, the output of the rolling mill i.e the HR Strips are used as inputs in the pipe mill. This integrated nature of our operations is one of the major strengths of our Company.



Our strategy includes establishing a sponge iron manufacturing unit in the near term to enable backward integration and develop fully integrated operations.



NURTURING A MERIT-BASED CULTURE

People are our biggest assets and it is our constant endeavour to facilitate an environment of learning and growth for them. Meritocracy and rewards form the backbone of our culture and ensures that our employees are recognised for their commitment and dedication to the Company. During the year, we undertook many employment engagement initiatives to drive our people to achieve their best. We aspire to be among the best places to work in the industry and are moving steadily in that direction.



CORPORATE INFORMATION

Board of Directors

Pramod Kumar Kapoor

Chairman and Independent Director

Rupesh Kumar Gupta

Managing Director

Sunita Gupta

Non-executive Director

Sailesh Gupta

Whole-time Director

Santosh Kumar Rathi

Independent Director

Registered Office

Hariom Pipe Industries Limited

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

Corporate Identity Number

U27100TG2007PTC054564

Company Secretary

Chirag Partani

Company Secretary and
Compliance Officer

Registrar and Share Transfer Agents (RTA)

Bigshare Services Private Limited

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

Corporate Identity Number

U99999MH1994PTC076534

Bankers

Canara Bank

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic overview

1.1 Global economy

Broad-based recovery in the economic growth of most leading countries in the world was the key highlight of 2017. During the year, the global economy grew by 3.8% [Source: International Monetary Fund (IMF)], its fastest growth since 2011. Revival in investment, tight labour markets, stable corporate earnings and favourable monetary policies adopted by the central banks of leading economies were the primary catalysts for this upswing.

Emerging market economies continued to outpace the rest of the world for another year and registered 4.8% growth, which is 40 basis points above the growth recorded in 2016. China benefited from the momentum in world trade and recorded its highest growth since 2015. India, on the other hand, demonstrated healthy resilience against the teething issues caused post the Goods and Services Tax (GST) implementation and emerged as the sixth largest economy in the world (Source: World Bank).

Improvement in the economic growth of advanced markets such as the US and eurozone was another notable event during the year. The US economy grew by 2.3% owing to the implementation of tax reforms, higher corporate activity and favourable monetary policies. Eurozone too posted a multi-year high growth of 2.3% amid robust domestic demand and buoyant exports.

1.1.1 Challenges

Following are the primary challenges that could slow down the world economic growth in the near future:

- a) Rising oil prices
- b) Rising global debt at \$163 trillion in excess of 200% of the global GDP
- c) Global Foreign Direct Investment (FDI) down by 27% in 2017 to \$1,520 billion
- d) The gain of nationalisation over globalisation may impact the global merchandise and service trade of ~30% of global GDP.

1.1.2 Outlook

Following the positive happenings in 2017, IMF has raised the global growth forecast for both 2018 and 2019 to 3.9%. These forecasts are underlined by expectations that the trends of robust investments as well as strong global trade are likely to continue. In such a scenario, economies that are driven by exports will benefit the most.

Another assumption behind these forecasts is that central banks around the world are likely to align their monetary policies to strike a prudent balance between liquidity, interest and higher economic growth. Gradual improvement in capital

expenditure incurred by corporates will be another catalyst for global growth in the future.

Global growth (%)

Country/Region	2016	2017	2018 (f)	2019 (f)
World	3.20	3.80	3.90	3.90
Advanced market economies	1.70	2.30	2.50	2.20
Emerging market economies	4.40	4.80	4.90	5.10
US	1.50	2.30	2.0	2.70
Euro area	1.80	2.30	2.40	2.00
China	6.60	6.90	6.60	6.40
Japan	0.90	1.70	1.20	0.90
Russia	(0.20)	1.50	1.70	1.50
India	7.10	6.70	7.30	7.50

f: forecasted

Source: International Monetary Fund (IMF)

1.2 Indian economy

The Indian economy continued to be one of the world's fastest-growing economies during the year. While the growth came to around 6.7% during the fiscal on the back of disruptions caused by GST implementation, the economy witnessed some momentum in the last quarter of the year with a growth of 7.7%.

The eight core sectors of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity grew by 4.3% during the year, on the back of strong traction in cement, coal and steel sectors. India's fiscal deficit stood at 3.53% during the year and was broadly in line with the revised target of 3.5%. The government expects to bring it down further to 3.3% of GDP in FY 2018-19.

India's foreign exchange reserves as at March end stood at a comfortable level of \$424 billion and reflect the continued optimism and faith that foreign investors have in the economy. Another notable highlight of the year was that India moved up higher to the 100th spot in the global ease of doing business, vis-à-vis its 142nd rank about four years back. Inflation remained under check during the year with the Consumer Price Index (CPI) declining to 4.28% in March 2018, supported by stable prices and the prudent monetary policy stance of the Reserve Bank of India (RBI).

The Government continued to undertake multiple reforms during the year for promoting inclusive growth, improving the business environment and addressing challenges facing the economy. Higher spending on social schemes such as National Rural Employment Guarantee Act (NREGA), continued focus on rural infrastructure projects, higher minimum support prices, implementation of Seventh Pay Commission hikes across states and the One Rank One Pension scheme are likely to lead to

higher disposable income in the hands of Indian consumers. Two successive years of favourable monsoon, a young population (over 60% is below the age of 35, as per Census) and rising urbanisation are other macro growth drivers of the economy. Additionally, higher budgetary and non-budgetary support to roadways, railway network and rural infrastructure augurs well for the country's infrastructure sector.



Source: Central Statistics Office (CSO)

1.2.1 Outlook

Amid expectations of a pick-up in private sector investment, manufacturing and construction sectors, the Indian economy is likely to grow by 7.4% during FY 2018-19 (Source: RBI).

Continued momentum in global trade would augur well for exports in the near-term. In view of rising inflationary pressures, the RBI hiked the repo rate by 25 basis points in June and August 2018 and further hikes during the ongoing fiscal cannot be ruled out. Higher interest rates would help to keep inflation under control, going forward. However, the key challenge for India will be to achieve a fine balance between the three parameters of inflation, growth and employment generation.

2. Industry analysis

2.1 Global steel sector

During 2017, global steel consumption grew by 4.7% to 1.59 billion tonnes, which is a significant improvement from the muted growth of 1% registered in 2016. A low base effect of 2016, along with improved steel consumption in China and investment-led recovery in advanced economies, fuelled this momentum. On one hand, the government's stimulus measures and upswing in construction activities fuelled steel demand in China. While on the other, consumption in Europe [other than European Union (EU)] too gathered pace in the year to grow ~12%. Other countries, though, witnessed low single-digit growth in steel consumption.

Global crude steel production grew by 5.3% in 2017 to 1,691.2 million tonnes, as most economies registered satisfactory growth in steel production. Annual production grew between 4% and 6% for the major economies of China, India, the EU and the US, among others.

Steel demand in India grew by **7.9% to 91 million tonnes** in the year.

Co-existence of the three factors of falling exports from China, firm iron ore prices and improving demand from China aided global steel prices during the year.

2.1.1 Outlook

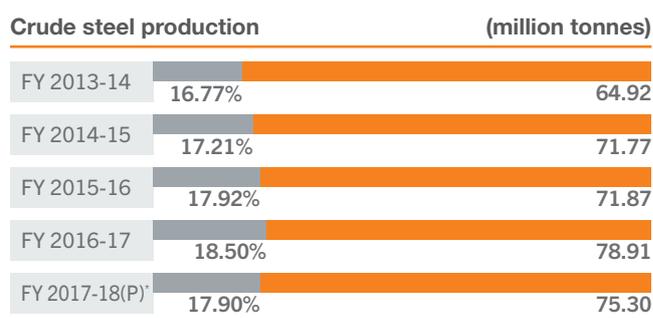
World Steel Association (WSA) estimates suggest that the global steel demand is likely to touch 1,616 million tonnes in 2018, a growth of 1.8% over 2017. Continued strengthening of investments in advanced economies, improving manufacturing environment and recovery in commodity prices are expected to stimulate the global steel demand. Rising wave of protectionism in global trade and higher interest rates in the US and the EU are the prominent downside risks for these forecasts.

2.2 Indian steel sector

India's steel production grew by 4.5% to its highest-ever level of 102 million tonnes in FY 2017-18. The Government of India's proactive approach in addressing the issues faced by domestic steel makers is a primary enabler to this achievement. Recovery in construction activity and shutdown of excess capacities in China bodes well for leading steel makers in India.

Further, all-round improvement in the growth of major steel-consuming sectors, including automobiles, infrastructure and capital goods, has boosted steel demand in India. This metric grew by 7.9% to 91 million tonnes in the year and is likely to accelerate to 8.3% in FY 2018-19 [Source: Joint Plant Committee (JPC)].

Higher domestic demand, along with easing input costs, are likely to lend strong support to domestic steel prices in the near-term. Measures such as the National Steel Policy (NSP) and extension of the anti-dumping duty on Chinese products for a five-year period from August 2016 are other factors propelling the growth of the domestic steel sector in India. Higher infrastructure spending of ₹ 14.3 lakh crore will also enhance steel demand in the domestic market.

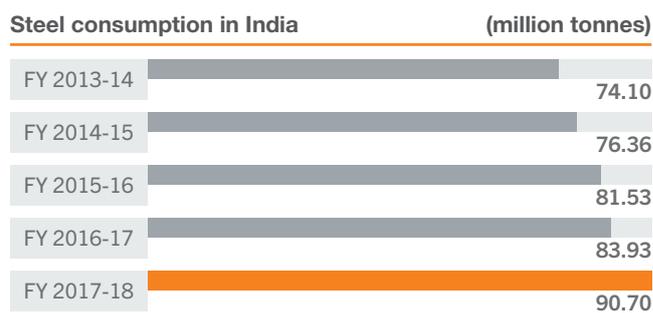


■ Public sector ■ Private sector

(P): Provisional

*April 2017 to February 2018

Source: Ministry of Steel Annual Report 2017-18



2.2.1 Advantage India

The NSP aims to make India a self-sufficient steel-producing nation by 2030 and will promote the indigenous industry to eliminate steel imports in the country by 2030. Reduction in import dependence for procuring coking coal; emphasis on the Blast Furnace (BF)/Basic Oxygen Furnace (BOF) technology; sharper focus on pelletisation and installation of slurry pipelines and conveyors; promotion of domestically manufactured steel in government procurement; and indigenous production of value-added steel are the key goals of this policy. To achieve these targets, most Indian companies have undertaken large capacity expansions, which will drive their market shares further in the coming years.

Telangana: Multiple growth enablers for steel demand

- Favourable policies adopted by the state government to boost manufacturing activity across the state
- Fast tracking of approvals to industrialists under the Telangana State Project Approval and Self-Certification System (TS-iPASS) policy
- Substantial scope to ramp-up the share of industrial sector in the state's Gross State Domestic Product (GSDP)
- 9% higher funds allocated towards rural development in the state budget for FY 2018-19 to ₹ 15,563 crore

2.2.2 Outlook

According to WSA, consumption of finished steel products in India is estimated at 92 million tonnes in 2018 – a growth of 5.5% over 2017. Of the total incremental demand of 28.7 million tonnes in 2018 worldwide, e.g. India alone is likely to contribute 4.8 million tonnes of steel. The nation's per capita steel consumption is likely to improve to 72-74 kgs in 2018-19.

Of the total incremental demand of **28.7** million tonnes in 2018 worldwide, India alone is likely to contribute **4.8** million tonnes of steel.

3. Corporate overview

3.1 Business review

- Incorporated in 2007, Hariom Pipe Industries Limited (Hariom Pipe) is an iron and steel company having a prominent positioning in South India. Strong parentage of the Hariom Group and healthy brand recall in the markets it operates in are among the key strengths of the Company. Pioneers in pipes and scaffoldings, the Company's 200-plus product suite also spans across Mild Steel (MS) Billets and Hot-rolled (HR) skelps. These products are manufactured at the Company's best-in-class plant at Sheriguda Village, Telangana. This facility is spread over 11 acres and has a capacity of 29,760 metric tonnes (mt) for induction furnace, 21,000 mt for rolling mill, 20,000 mt for piping mill and 800 mt for scaffolding products. It has a robust distribution network of over 1,377 retailers. The Company adopted its current name in the month of January 2018 when it was converted into a public limited company. It caters to customers spread across the industries of Construction industry.

Architectural Applications

- Shopping Malls
- Commercial & Residential Buildings
- Canopies /Atrium
- Partition Frames
- Space Frames
- Glass Curtain Wall Frames
- Guard Rails & Staircases

Infrastructural Applications

- Airport Terminal Buildings
- Bridges
- Bus Stands
- Sign Supporting Structures
- Sports Galleries & Stadium
- Railway Platforms & Foot-over Bridges
- Pedestrian Walkovers
- Construction Equipments
- Scaffolding Steel Structural Frameworks

Agricultural Applications

- Harvester Combines
- Tractors
- Agricultural Implements Frames (e.g. Harrows)

Industrial Applications

- Industrial Sheds
- Trusses, Columns & Purlins
- Material Storage Racks
- Roof Support Systems (Jacks, Props etc.)
- Pallets
- Pipe Racks
- Conveyor Gantries, Trestles

- Drilling Rigs
- Steel & Power Plants

General Engineering

- Automotive Industry – Chassis
- Greenhouse Structures
- Truck & Bus Body Manufacturing
- Amusement Park & Playground Equipments
- Gymnasium Equipment
- Hoarding Structures
- Exhibition Stalls
- Furniture
- Solar Power Plant Structures

Hariom Pipe: Strengths

- An ISO 9001:2015 and IS 2830:2012 certified company
- Fully-integrated plant
- Stable financial profile
- Proven execution track record

Hariom Pipe is looking to get listed on the National Stock Exchange (NSE) in the next few months. This Initial Public Offering (IPO) will enable it to complete its substantial capacity expansion. This expansion will make Hariom Pipe a full-fledged steel company.

3.2 Operational review

Hariom Pipe has registered an encouraging performance in FY 2017-18. The year was outlined by seamless production at the Company, continued demand momentum and strong financial performance across all parameters of revenue growth as well as profitability.

FY 2017-18: Operational highlights

- Total production at 66,005 mt versus 46,635 mt in the previous financial year, a growth of 41.54%
- Total sales volumes at 28,840 mt versus 27,988 mt in the previous financial year, a growth of 3%
- Demand trends witnessed in the four product segments during the year

Sl. No.	Segment	Product Name	Demand Quantity in M. Tons (Approx)	Actual Sales Qty in M. Tons (Approx)
1.	Furnace	MS Billets	10,000	8,360
2.	Rolling-Mill	HR Strips	6,000	4,789
3.	Pipe Unit	MS Tubes	16,000	14,814
4.	Scaffolding Unit	Scaffolding	1,000	633
5.	Trading	Structure Steel	123	243
Total			33,000	28,840

Key trends witnessed in raw material sourcing as well as pricing during the year

Segment	Product	Sourcing Location	Quantity (mt)	₹ per metric ton	Value (₹ crore)
Furnace	Sponge Iron/MS Scrap	Local within Telangana	10,163	16,707/-	16.98
		Bellary Dist. in Karnataka	20,004	16,972/-	33.95
Pipe Unit	HR Coil	Local within Telangana	1,205	41,826/-	5.04
		Kalinganagar in Odisha	36	41,667/-	0.15
Scaffolding Unit	Scaffolding Accessories & Others Misc.	Within Telangana & State of Punjab	-	47.10/- per piece	3.48
Trading	Structure Steel	Local within Telangana	123	43,902/-	0.54
Total			31,531		60.14

Sales dispatches (product-wise) during the year

Segment	Product	Dispatch quantity (mt)	Revenues (₹ crore)
Furnace	MS Billets	8,360	24.22
Rolling-Mill	HR Strips	4,789	16.94
Pipe Unit	MS Tubes	14,814	59.53
Scaffolding Unit	Scaffolding	633	3.32
Trading	Structure Steel	243	1.08
Total		28,840	105.09

- Reasons driving margins as well as profitability during the year are as follows:
 - Decrease in the cost of production by around 5.59%
 - Increase in the selling price of all the products as stated below:

Product	₹ per mt in FY 2016-17	₹ per mt in FY 2017-18	% increase
MS Billets	23,724/-	28,974/-	22.13%
HR Strips	30,232/-	35,376/-	17.01%
MS Tubes	36,582/-	40,182/-	9.84%
Scaffolding	44,841/-	52,407/-	16.87%

As per the above-mentioned table the average growth rate during FY 2017-18 is 16.46%

Due to implementation of GST indirect taxes reduced by 0.125%

- We implemented the process of hot charging which resulted in reduced consumption of coal, electricity and lower manpower cost in the rolling mill segment.

3.3 Financial review

The highlights of Hariom Pipe's financial performance in the year are as follows:

- Revenue growth was a function of strong production and healthy demand momentum. Among products, pipes and scaffoldings grew at the fastest pace of 28.87% and 131.40%, respectively, and posted revenues of ₹ 59.53 crore and ₹ 3.32 crore, respectively.
- Faster turnaround of inventories, coupled with continued impetus on driving cost rationalisation across the business, aided the Company's profitability in the year.
- Both its EBITDA as well as net profit surged manifold in the year and the Company is confident of maintaining this trend in the future.
- The Company's secured loans reduced by 11.75% to ₹ 16.65 crore from ₹ 18.87 crore in the previous year.
- Its overall debt/equity stood at 0.73 times in the year and the Management expects to keep it around 0.50 times in the future.
- For FY 2017-18, a dividend of ₹ 0.60 i.e. 6% was declared by the Board and approved by the shareholders in the AGM. Based on Financial Performance of the Company, the Board of Directors will take a call regarding payment of Dividend in the coming years.

Financial performance

Revenue	(₹ crore)
FY 2016-17	87.69
FY 2017-18	105.37

EBITDA	(₹ crore)
FY 2016-17	7.30
FY 2017-18	15.51

Net profit	(₹ crore)
FY 2016-17	1.63
FY 2017-18	6.48

3.4 Outlook

The Company management is confident of attaining healthy growth in the future. Even as prospects of the existing business remain strong, new capacities will act as additional growth engines. Hariom Pipe is keen on expanding across geographies as well as product segments in the future. With an eye on tapping the demand potential in these markets, the Company is likely to enter into adjoining markets in South India soon.

Similarly, expansion in its capacities will boost the value-added product portfolio of the Company, particularly in the furnace, rolling mill and pipe units. Hariom Pipe is looking to expand its furnace and rolling mill capacity to 63,000 mtpa each from 28,000 mtpa and 18,000 mtpa, respectively. Similarly, it will ramp-up the pipe mill/scaffolding capacity to 84,500 mtpa from the current capacity of 20,500 mtpa.

The proposed expansion will reap in the following advantages going forward:

- Reduced power consumption
- Lower employee costs
- Full automisation of the rolling mill segment
- Lower wastage in the rolling mill segment
- Increase in Quality in scalp side our earlier range was 100 mm to 185 mm and will go up to 360 mm, on length side there is substantial from existing 120 ft size to 800 ft.

At Hariom Pipe, driving higher operational efficiencies is an ongoing process. The Company is always looking to address any bottlenecks and fine-tune its processes to make them more efficient and productive. The Company is confident of progressing on this path, thereby attaining higher customer satisfaction and a sustainable profitability profile. The Company will also undertake regular initiatives towards employee engagement, and training and improvement of employee efficiencies across all its functions.

4. Risks

Risk	Mitigation strategy
Cyclical nature of the steel industry	The Company aims to grow its business verticals in a sustainable manner with a vision to create quality-conscious customers and give them value for their money, accompanied by technological drive, continued government support, experience of our promoters and dedication of our employees.
Client concentration risk	The Company enjoys strong, long-lasting relationships with its existing customers such as railways, large corporate houses, trusts and individuals. The Company's Top 10 clients account for over 90% of its revenues. However, as it focuses on entering new geographies and adding new customers, this risk is likely to reduce gradually.
Risks related to raw material/manpower sourcing	The Company's plant is located strategically and hence has access to inexpensive raw materials and skilled labour. The integrated nature of its plant further ensures the seamless conduct of business throughout the year.
Changing regulatory framework	The Company has always been ahead of its peers while complying with the latest regulatory framework and will continue to do so in the future. Any drastic change in the regulations governing the Company may have temporary implications on the Company's financial performance.
Transition to the IND AS accounting mechanism	With effect from 1st April, 2018, the Company has started preparing its accounts on the IND AS framework, which is based on the principle of fair value accounting. This may have some transitional impact on the Company's financial performance. However, the underlying fundamentals of the Company will remain unchanged.

BOARD'S REPORT

Your Directors have pleasure to present their Annual Report together with the audited accounts for the year ended 31st March, 2018.

Financial Results:

Particulars	31-03-2018	31-03-2017
Income from operations	1,05,08,89,030	87,16,26,846
Other income	27,80,518	52,93,667
Total	1,05,36,69,548	87,69,20,513
Total Expenditure	95,32,65,429	85,32,53,854
Profit/(Loss) before Tax	10,05,56,718	2,38,85,184
Profit/(Loss) after Tax	6,48,15,187	1,63,18,553

Operational Review

Your Company has recorded total revenue of ₹ 1,05,36,69,548 as compared to ₹ 87,69,20,513 in the previous financial year. The Net profits of the Company stood at ₹ 6,48,15,187 as against a profit of ₹ 1,63,18,553 in the Previous Financial Year.

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

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

Dividend

Your Board recommend a dividend of ₹ 0.60/- Per Equity Share of ₹10/- each as the Final Dividend for the year 2017-2018. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

Bonus Shares

During the year under review, the Company has Issued and allotted 89,53,647 Bonus Shares to the Equity Shareholders in the ration of 23:5 (i.e. Twenty Three Equity Shares for every Five Equity Shares held).

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

The following are the details of Directors or KMPs who were appointed and resigned during the Year.

Sl. No.	Name of the Director/ KMP	Designation	Date of Appointment or resignation
1.	Mr. Rakesh Kumar Gupta	Director	Resigned w.e.f. 01.10.2017
2.	Mrs. Parul Gupta	Director	Resigned w.e.f. 01.10.2017
3.	Mrs. Isha Gupta	Director	Resigned w.e.f. 01.10.2017
4.	Mr. Amitabha Bhattacharya	Chief Financial Officer (CFO)	Appointed w.e.f. 06.10.2017
5.	Mr. Chirag Partani	Company Secretary & Compliance Officer	Appointed w.e.f. 06.10.2017
6.	Mr. Santosh Kumar Rathi	Independent Director	Appointed w.e.f. 08.01.2018
7.	Mr. Pramod Kumar Kapoor	Chairman and Independent Director	Appointed w.e.f. 08.01.2018
8.	Mr. Rupesh Kumar Gupta	Managing Director	Change in Designation as Managing Director w.e.f. 08.01.2018
9.	Mr. Sailesh Gupta	Whole-time Director	Change in Designation as Whole-time Director w.e.f. 08.01.2018.

Changes in capital

During the year under review the Authorised Equity Share Capital of the Company was Increased from ₹ 1,70,00,000 to ₹ 15,68,38,000.

The Equity Paid up Capital of the Company was increased from ₹ 1,66,81,000 to ₹ 10,90,00,920.

The raise in the Equity paid up capital of the Company is due to the following reason:

1. The Company has converted **2,08,760** Redeemable Optionally Convertible Preference Shares of ₹ 100/- each into **2,78,345** equity shares of ₹10/-.
2. During the year the Company has issued and allotted 89,53,647 against 19,46,445 Equity shares of ₹ 10 each in the ratio of 23 (Twenty Three) equity shares for every 5 (Five) equity shares held (i.e. in the ratio of 23:5 shares).

Material Changes and commitments

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

Auditors and Auditors report

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

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

Declaration given by Independent Directors

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

Details of Subsidiaries, Associates and Joint Ventures

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

Secretarial Standards

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

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

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

Quality and Systems

Your Company continues to maintain its certification under the Integrated Management Systems with certifications under ISO 9001:2008, ISO 9001:2015.

Deposits

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

Number of Board Meetings held during the year

The Board of Directors duly met Eleven times during the year i.e. on 6th May, 2017, 1st June, 2017, 10th July, 2017, 5th August, 2017, 22nd August 2017, 6th October, 2017, 4th December, 2017, 23rd December, 2017, 17th January, 2018, 19th February, 2018, 3rd March, 2018 in respect of which meetings, proper notices were given and the proceedings were properly recorded.

Directors' Responsibility Statement

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

- a) that in the preparation of the annual accounts for the period ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the statement of profit of the Company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the accounts for the period ended 31st March, 2018 on a 'Going Concern' basis and
- e) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

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

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

Transfers to reserves

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

Vigil Mechanism/Whistle Blower Policy

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

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

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

Risk Management

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

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

As the Net profit of the Company as on 31st March, 2018 stands more than 5 crores, the Company is required to comply with the provisions of corporate Social responsibility as mentioned under Section 135 of the Companies Act, 2013. The Company is taking adequate steps to comply with the said compliances.

Committees of the Board

Audit Committee:

During the Financial Year under review, the Board of Directors in their meeting held on 17.01.2018, had constituted Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

The Committee comprises of the following Directors as Chairman/Member

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

Nomination and Remuneration Committee

During the Financial Year under review, the Board of Directors in their meeting held on 17.01.2018, had constituted Nomination and Remuneration Committee pursuant to the provisions of Section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

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

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

Nomination and Remuneration Policy

1. Introduction

Hariom Pipe Industries Limited (Hariom), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy

approach to improve the quality of governance. Towards this, Hariom ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. Hariom recognises the importance of Independent Directors in achieving the effectiveness of the Board. Hariom aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

Hariom also recognises the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

2. Scope

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

3. Terms and References

In this Policy, the following terms shall have the following meanings:

- "Director" means a Director appointed to the Board of a Company.
- "Nomination and Remuneration Committee" means the committee constituted by Hariom's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.
- "Key Managerial Personnel" means
 - the Chief Executive Officer or the Managing Director or the Manager;
 - the Company Secretary;
 - the Whole-time Director;
 - the Chief Financial Officer; and

- (v) such other officer as may be prescribed under the Companies Act, 2013

4. Selection of Directors and determining Directors' independence

4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background Standing in the profession;

Personal and professional ethics, integrity and values;

Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment/reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director –

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives –
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
- (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;
- or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or
- f) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g) shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

4.2.3 The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships/committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director’s service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders’ Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees

5.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

5.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

5.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

6. Remuneration to Non-Executive Directors

6.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

6.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

7. Remuneration to other employees

7.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Constitution of Stakeholders Relationship Committee

During the Financial Year under review, the Board of Directors in their meeting held on 17.01.2018, had constituted Stakeholders Relationship Committee pursuant to the provisions of Section 178(5) of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rules, 2014.

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

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

Constitution of Corporate Social Responsibility Committee:

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

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

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

Meeting of Independent Directors:

During the year under review, the Independent Directors met on 3rd March, 2018 *inter alia*, to discuss:

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

All the Independent Directors were present at the Meeting.

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

Extract of Annual Return

The Extract of the Annual Return for the financial year ended 31st March, 2018 is being attached as Annexure – III and forms part of this report.

Policy on Sexual Harassment

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

During the financial year ended 31st March, 2018, the Company has not received any complaints pertaining to sexual harassment.

Significant and Material Orders passed by the Regulators or Courts

During the period, the Company has filed draft Red-Herring prospectus with the NSE Emerge for its in-principle approval for Initial public Issue of Equity Shares to the public and accordingly on 18.04.2018, the Company has obtained in-principle approval from the exchange.

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

Acknowledgements

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

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

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

For and on behalf of the Board

Hariom Pipe Industries Limited

(Formerly Hariom Concast and Steels Private Limited)

Rupesh Kumar Gupta

Managing Director
(DIN: 00540787)

Sailesh Gupta

Whole-time Director
(DIN: 00540862)

Place: Hyderabad

Date: 09.06.2018

Annexure – I

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

A. Conservation of Energy:

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

B. Technology Absorption:

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

C. Foreign Exchange Earnings and Outgo:

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

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

Particulars	2017-18	2016-17
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo (₹ in Lakhs)	6,12,293	7,55,807

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

Date: 09.06.2018
Place: Hyderabad

Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sailesh Gupta
Whole-time Director
(DIN: 00540862)

Form No. AOC-2

DETAILS OF RELATED PARTY TRANSACTIONS

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

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

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

The Company has entered into a Lease agreement dated 4th day of December, 2017 with Mr. Rupesh Kumar Gupta, Managing Director and also with Parul Gupta Director of the Company for the period of 11 months starting from 1st day of December, 2017 to 30th day of November, 2018.

The following are the details of the transaction.

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Rupesh Kumar Gupta	Rent paid (Expenses)	11 months concluded on 30.11.2018	Lease of premises for a period of 12 months at a rent of ₹55,000/- per month	Existing Agreement – Not Applicable	NIL
Ms. Parul Gupta	Rent paid (Expenses)	11 months concluded on 30.11.2018	Lease of premises for a period of 12 months at a monthly rent of ₹35,000/-	Existing Agreement – Not Applicable	NIL

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

Date: 09.06.2018
 Place: Hyderabad

Rupesh Kumar Gupta
 Managing Director
 (DIN: 00540787)

Sailesh Gupta
 Whole-time Director
 (DIN: 00540862)

Annexure – II

Form No. MGT – 9 Extract of Annual Return

as on the financial year ended on 31st March, 2017

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

I. Registration and Other Details

i) CIN	U27100TG2007PTC054564
ii) Registration Date	21/06/2007
iii) Name of the Company	HARIOM PIPE INDUSTRIES LIMITED
iv) Category/Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v) Address of the Registered office and contact details	3-4-174/12/2, 1st Floor, Samarpan, Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad – 500 048, Telangana
vi) Whether listed company	NO
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Ltd. Flat No. 306, Right Wing, 3rd Floor, Amrutha Ville Appts, Opp. Yashoda Hospitals, Somajiguda, Rajbhavan Road, Hyderabad – 500 082. Ph: 91 40-23374967

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the Company
1	MANUFACTURE OF SEMI FINISHED ALLOY STEEL OF THESE SHAPES [Mild Steel Billets]	27142	23.57%
2	MANUFACTURE OF ALLOY STEEL HOT ROLLED FLAT PRODUCTS [HR Strip]	27162	16.26%
3	MANUFACTURE OF OTHER BASIC IRON AND STEEL M.E.C [of Iron Other Tubes, Pipes and Hollow Profiles]	27190	60.17%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / (HUF)	-	13,45,000	13,45,000	80.63	-	1,09,00,092	1,09,00,092	100	19.37
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	3,23,100	3,23,100	19.37	-	-	-	-	(19.37)
e) Banks / FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	16,68,100	16,68,100	100	-	1,09,00,092	1,09,00,092	100	-
(2) Foreign									
a) NRI – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	-	16,68,100	16,68,100	100	-	1,09,00,092	1,09,00,092	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital up to ₹1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares Held By Custodian For Gdrs & Adrs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	16,68,100	16,68,100	100	-	1,09,00,092	1,09,00,092	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Hariom Gupta (HUF)	10,000	0.60	-	-	-	(0.60)	
2	Isha Gupta	15,000	0.90	-	6,44,000	5.91	4.99	
3	Mukesh Kumar Gupta (HUF)	1,37,500	8.24	-	-	-	(8.24)	
4	Parul Gupta	40,030	2.40	-	9,05,968	8.31	5.91	
5	Rakesh Kumar Gupta (HUF)	75,000	4.50	-	4,20,000	3.85	(0.65)	
6	Rakesh Kumar Gupta	1,90,000	11.39	-	18,90,000	17.34	5.95	
7	Rupesh Kumar Gupta (HUF)	17,500	1.04	-	98,000	0.90	(0.14)	
8	Rupesh Kumar Gupta	5,70,000	34.18	-	36,38,292	33.38	(1.00)	
9	Shailesh Kumar Gupta	1,40,000	8.39	-	24,64,000	22.61	14.22	
10	Sunita Gupta	1,44,970	8.69	-	8,11,832	7.45	(1.24)	
11	Ansh Commerce Private Ltd.	3,21,750	19.29	-	-	-	(19.29)	
12	Reo Solutions Private Limited	1,350	0.08	-	-	-	(0.08)	
13	Shailesh Kumar Gupta (HUF)	5,000	0.30	-	28,000	0.26	(0.04)	
	Total	16,68,100	100	-	1,09,00,092	100	-	

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
	At the beginning of the year	01.04.2017	N.A	16,68,100	100	-	0.00
	Changes during the year	10.07.2017	Conversion of Preference Shares into Equity	2,78,345	14.30	19,46,445	100
		23.12.2017	Issue of Bonus Shares	89,53,647	82.14	1,09,00,092	100
	At the end of the year	31.03.2018	N.A	1,09,00,092	100	1,09,00,092	100

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	Rupesh Kumar Gupta						
	At the beginning of the year	01.04.2017	NA	5,70,000	34.17		
	Changes during the year	06.05.2017	Purchase	1,350	0.08	57,1350	34.25
		10.07.2017	Allotment on Conversion of Preference Shares	78,345	4.02	6,49,695	33.38
		23.12.2017	Allotment of Bonus Shares	29,88,597	27.41	36,38,292	33.38
	At the end of the year	31.03.2018	NA	36,38,292	33.38	36,38,292	33.38
2.	Sailesh Gupta						
	At the beginning of the year	01.04.2017	NA	1,40,000	8.39		
	Changes during the year	06.05.2017	Purchase	1,00,000	5.99	2,40,000	14.38
		10.07.2017	Allotment on Conversion of Preference Shares	2,00,000	10.27	4,40,000	22.61
		23.12.2017	Allotment of Bonus Shares	20,24,000	18.56	24,64,000	22.61
	At the end of the year	31.03.2018	NA	24,64,000	22.61	24,64,000	22.61
3.	Sunita Gupta						
	At the beginning of the year	01.04.2017	NA	1,44,970	4.50		
	Changes during the year	23.12.2017	Allotment of Bonus Shares	6,66,862	6.11	8,11,832	7.45
	At the end of the year	31.03.2018		8,11,832	7.45	8,11,832	7.45
4.	Rakesh Kumar Gupta						
	At the beginning of the year	01.04.2017	NA	1,90,000	8.69		
	Changes during the year	06.05.2017	Purchase	10,000	0.60	2,00,000	9.29
		05.08.2017	Purchase	1,37,500	7.06	3,37,500	17.34
		23.12.2017	Allotment of Bonus Shares	15,52,500	14.24	18,90,000	17.34
	At the end of the year	31.03.2018	NA	18,90,000	17.34	18,90,000	17.34
5.	Isha Gupta						
	At the beginning of the year	01.04.2017	NA	15,000	0.30		

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
	Changes during the year	06.05.2017	Purchase	1,00,000	5.99	1,15,000	6.29
		23.12.2017	Allotment of Bonus Shares	5,29,000	4.85	6,44,000	5.91
	At the end of the year	31.03.2018	NA	6,44,000	5.91	6,44,000	5.91
6.	Parul Gupta						
	At the beginning of the year	01.04.2017	NA	40,030	1.05		
	Changes during the year	06.05.2017	Purchase	1,21,750	7.29	1,61,780	8.34
		23.12.2017	Allotment of Bonus Shares	7,44,188	6.83	9,05,968	8.31
	At the end of the year			9,05,968	8.31	9,05,968	8.31

(vi) Indebtedness**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹18,87,35,298/-	₹4,85,90,818/-		₹ 23,73,26,116/-
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	₹18,87,35,298/-	₹4,85,90,818/-		₹ 23,73,26,116/-
Change in Indebtedness during the financial year				
Addition	-	₹64,16,367/-	NIL	
Reduction	₹2,21,80,619/-	-	NIL	
Net Change	(₹2,21,80,619/-)	₹64,16,367/-	NIL	(₹1,57,64,252/-)
Indebtedness at the end of the financial year				
i) Principal Amount	₹16,65,54,679/-	₹5,50,07,185/-	NIL	₹22,15,61,864/-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	₹16,65,54,679/-	₹5,50,07,185/-	NIL	₹22,15,61,864/-

I. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager					Total Amount	
		Rupesh Kumar Gupta	Sailesh Gupta	Rakesh Kumar Gupta	Parul Gupta	Isha Gupta		Sunita Gupta
1.	Gross salary	14,40,000	14,40,000	7,20,000	7,20,000	7,20,000	7,20,000	57,60,000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961							
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961							
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961							
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission as % of profit	-	-	-	-	-	-	-
	others, specify...	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-
	Total (A)	14,40,000	14,40,000	7,20,000	7,20,000	7,20,000	7,20,000	57,60,000
	Ceiling as per the Act							

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount	
		Santosh Kumar Rathi	Pramod Kumar Kapoor	Sunita Gupta	-	-
3.	Independent Directors					
	• Fee for attending board committee meetings					
	• Commission	35,000	35,000	-	-	70,000
	• Others, please specify					
	Total (1)	35,000	35,000	-	-	70,000
4.	Other Non-Executive Directors					
	• Fee for attending board committee meetings					
	• Commission			35,000	-	35,000
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	35,000	-	35,000
	Total (B) = (1+2)	35,000	35,000	35,000	-	1,05,000
	Total Managerial Remuneration	35,000	35,000	35,000	-	1,05,000
	Overall Ceiling as per the Act	-	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Secretary Gross salary	-	₹ 2,10,777/-	₹5,70,000/-	₹7,80,777/-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify.....	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	₹2,10,777/-	₹5,70,000/-	₹7,80,777/-

(vii) Penalties/ Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Date: 09.06.2018
Place: Hyderabad

Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sailesh Gupta
Whole-time Director
(DIN: 00540862)

INDEPENDENT AUDITOR'S REPORT

To THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **HARIOM PIPE INDUSTRIES LIMITED (Formerly Hariom Concast & Steels Private Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate

in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure – I**" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper Books of Account as required by law, have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the Directors, as on 31st March, 2018, and 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 the 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 – II”**.
- 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 read with Companies (Audit and Auditors) Amendment Rules, 2017, 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 litigation on its financial position in its financial statements.
 - ii. In our opinion and as per information and explanations provides to us, the Company has not entered into any long-term contracts including derivatives contracts requiring provisions under applicable laws or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31st March, 2018.

For RAKESH S JAIN & ASSOCIATES
Chartered Accountants
Firm Reg. No. 010129S

B. RAMESH KUMAR
(PARTNER)
M. No. 200304

Place: Hyderabad
Date: 09-06-2018

ANNEXURE – I TO INDEPENDENT AUDITORS' REPORT

HARIOM PIPE INDUSTRIES LIMITED

(Formerly Hariom Concast & Steels Private Limited)

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

1. a) According to the information and explanations furnished to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) According to the information and explanations furnished to us, all the assets have been physically verified by the Management during the year through a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
c) According to the information and explanations furnished to us the title deeds of immovable property are held in the name of the Company.
2. a) According to the information and explanations furnished to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
b) According to the information and explanations furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other Parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security; provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
5. According to the information and explanations given to us, the Company has not accepted any deposits in terms of Directives issued by the Reserve Bank of India and provision of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
6. We have broadly reviewed the books of account relating to the material, labour and other items of cost maintained by the Company pursuant to the order by the Central Govt. for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed accounts and records have been maintained. We have not however, made a detailed examination of the reports with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to it and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid in accordance

with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of Companies Act, 2013.

12. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
13. According to the records of the Company examined by us, all transaction with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 have complied with and the details have been disclosed in the Financial Statements as required by applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

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

For RAKESH S JAIN & ASSOCIATES
Chartered Accountants
Firm Reg. No. 010129S

B. RAMESH KUMAR
(PARTNER)
M. No. 200304

Place: Hyderabad
Date: 09-06-2018

ANNEXURE –II TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF HARIOM PIPE INDUSTRIES LIMITED (FORMERLY HARIOM CONCAST & STEELS PRIVATE LIMITED) (“THE COMPANY”)

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

To the Members of HARIOM PIPE INDUSTRIES LIMITED (Formerly Hariom Concast & Steels Private Limited) (“the Company”)

We have audited the internal financial controls over financial reporting of as of HARIOM PIPE INDUSTRIES LIMITED (Formerly Hariom Concast & Steels Private Limited) (“the Company”) as of 31st March, 2018 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, have an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAKESH S JAIN & ASSOCIATES
Chartered Accountants
Firm Reg. No. 010129S

B. RAMESH KUMAR
(PARTNER)
M. No. 200304

Place: Hyderabad
Date: 09-06-2018

BALANCE SHEET

as at 31-03-2018

(Value ₹)

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	14,21,62,920	7,07,19,000
(b) Reserves and Surplus	2.2	8,58,75,554	9,90,44,343
2. Non-current liabilities			
(a) Long-term borrowings	2.3	6,74,35,888	6,30,00,756
(b) Deferred tax Liabilities (Net)	2.4	21,91,089	40,76,754
(c) Long-term provisions	2.5	6,99,769	-
3. Current liabilities			
(a) Short-term borrowings	2.6	14,49,59,553	16,42,50,885
(b) Trade payables	2.7	5,06,62,930	3,70,37,905
(c) Other Current Liabilities	2.8	5,56,65,901	1,95,21,959
(d) Short-term Provisions	2.9	3,43,18,911	48,76,912
Total		58,39,72,515	46,25,28,513
II ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment			
(i) Tangible assets	2.10	12,18,07,838	11,71,05,792
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		59,96,402	-
(b) Deferred tax assets (Net)	2.4	-	-
(b) Long-term loans and advances	2.11	1,68,708	1,82,508
(c) Other Non-Current Assets	2.12	13,95,500	-
2. Current assets			
(a) Inventories	2.13	32,11,10,049	25,50,13,577
(b) Trade receivables	2.14	10,31,62,610	5,58,68,485
(c) Cash and Bank balances	2.15	29,89,652	32,94,687
(d) Short-term loans and advances	2.16	2,17,19,729	1,85,20,111
(e) Other current assets	2.17	56,22,028	1,25,43,353
Total		58,39,72,515	46,25,28,513
Significant accounting policies and notes on accounts	1 & 2		

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

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 010129S

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

Date: 09-06-2018

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

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

Rupesh Kumar Gupta

Managing Director

DIN 00540787

Sailesh Gupta

Whole-time Director

DIN 00540862

Amitabha Bhattacharya

(Chief Financial Officer)

Chirag Partani

(Company Secretary &
Compliance Officer)

STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2018

(Value ₹)			
Particulars	Note No.	2017-2018	2016-2017
I) Revenue			
Revenue from operations (Gross)		1,24,01,10,474	1,01,90,69,975
Less: Taxes & Duties		18,92,21,444	14,74,43,129
Revenue from operations (Net)		1,05,08,89,030	87,16,26,846
II) Other Income		27,80,518	52,93,667
Total Revenue (I+II)	2.18	1,05,36,69,548	87,69,20,513
Expenses:			
Cost of materials consumed	2.19	60,72,76,363	52,53,08,780
Purchase Stock-in-trade	2.20	54,11,413	7,14,31,936
Changes in inventories of work-in-process and finished goods	2.21	(1,38,49,172)	(1,12,03,108)
Employee benefits expenses	2.22	3,23,37,982	2,05,93,779
Finance costs	2.23	2,87,47,690	2,71,95,835
Depreciation and amortisation expenses	2.10	2,57,81,110	2,19,13,971
Other expenses	2.24	26,75,60,044	19,80,12,661
Total Expenses		95,32,65,429	85,32,53,854
Exceptional Items	2.25	1,52,599	2,18,524
Profit/(Loss) before tax		10,05,56,718	2,38,85,184
Tax expenses:	2.26		
(a) Current tax		3,72,36,308	29,63,993
(b) Income tax for earlier year		3,90,888	1,65,460
(c) Deferred tax		(18,85,665)	44,37,178
Total Tax expenses		3,57,41,531	75,66,631
Profit/(Loss) for the period		6,48,15,187	1,63,18,553
Earnings per equity share:			
(a) Basic/Adjusted Basic for Last Yr.		5.99	1.75
(b) Diluted/Adjusted Diluted for Last Yr.		5.99	1.51
Significant accounting policies and notes on accounts	1&2		

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

As per our report of even date annexed hereto.

FOR RAKESH S JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 010129S

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

Date : 09-06-2018

Rupesh Kumar Gupta

Managing Director

DIN 00540787

Amitabha Bhattacharya

(Chief Financial Officer)

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

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

Sailesh Gupta

Whole-time Director

DIN 00540862

Chirag Partani

(Company Secretary & Compliance Officer)

CASH FLOW STATEMENT

for the year ended 31st March, 2018

(Value ₹)

Particulars	31-03-2018	31-03-2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	10,05,56,718	2,38,85,184
Adjust For		
Depreciation	2,57,81,110	2,19,13,971
Finance Costs	2,87,47,690	2,71,95,835
Operating Profit before Working Capital changes	15,50,85,517	7,29,94,990
Working Capital Changes Adjust For		
Trade & Other Receivables	(4,49,54,118)	6,24,19,465
Inventories	(6,60,96,472)	(5,11,29,262)
Trade Payables & Other Current Liabilities	7,92,10,967	1,14,61,330
Working Capital Borrowings	(1,92,91,332)	1,09,75,388
	(5,11,30,955)	3,37,26,921
Cash generated from operations	10,39,54,562	10,67,21,911
Taxes Paid	(3,76,27,196)	(31,29,453)
Cash Flow before extraordinary items	6,63,27,366	10,35,92,458
Net Cash Flow From Operating Activities - (A)	6,63,27,366	10,35,92,458
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments (Net)	(3,64,79,558)	(68,04,606)
Net Cash used in Investing Activities - (B)	(3,64,79,558)	(68,04,606)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges	(2,87,47,690)	(2,71,95,835)
Dividend Paid	(65,40,055)	
Increase/(Decrease) in securities premium	(7,14,43,920)	0
Issue of share capital	7,14,43,920	0
Term Loans	(19,81,236)	36,82,688
Other Long-term Liabilities	6,99,769	(5,24,60,427)
Other Loans	64,16,367	(2,38,95,430)
Net Cash used in Finance Activities - (C)	(3,01,52,844)	(9,98,69,004)
Net Increase/(Decrease)		
in Cash & Cash Equivalents (A+B+C)	(3,05,035)	(30,81,152)
Opening Balance in Cash and Cash Equivalents (Cash and Bank Balance)	32,94,687	63,75,839
Closing Balance in Cash and Cash Equivalents (Cash and Bank Balance)	29,89,652	32,94,687

As per our report attached.

FOR RAKESH S JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 010129S

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

Date : 09-06-2018

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

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

Rupesh Kumar Gupta

Managing Director

DIN 00540787

Sailesh Gupta

Whole-time Director

DIN 00540862

Amitabha Bhattacharya

(Chief Financial Officer)

Chirag Partani

(Company Secretary &
Compliance Officer)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2018

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

Particulars	No. of Shares	Value	(Value ₹)	
			No. of Shares	Value
Issued, Subscribed & Paid up Capital				
Equity Shares				
At the beginning of the period	16,68,100	1,66,81,000	16,68,100	1,66,81,000
Issued during the period			-	-
Convertible Preference Share Converted into Equity Shares	2,78,345	27,83,450	-	-
Bonus Issued during the period	89,53,647	8,95,36,470	-	-
At the closing of the period	1,09,00,092	10,90,00,920	16,68,100	1,66,81,000
Redeemable Optionally Convertible Preference Share				
At the beginning of the period	2,08,760	2,08,76,000	2,08,760	2,08,76,000
Issued/(Converted) during the period	(2,08,760)	(2,08,76,000)		
At the closing of the period	-	-	2,08,760	2,08,76,000
0% Series A Redeemable Non-Cumulative Preference Shares				
At the beginning of the period	33,16,200	3,31,62,000	33,16,200	3,31,62,000
Issued during the period				
At the closing of the period	33,16,200	3,31,62,000	33,16,200	3,31,62,000

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

Name of the Shareholder	%	No. of shares	(Value ₹)	
			%	No. of shares
Rupesh Kumar Gupta	33.38%	36,38,292	34.17%	5,70,000
Sailesh Gupta	22.61%	24,64,000	8.39%	1,40,000
Rakesh Kumar Gupta	17.34%	18,90,000	11.39%	1,90,000
Parul Gupta	8.31%	9,05,968	2.40%	40,030
Sunita Gupta	7.45%	8,11,832	8.69%	1,44,970
Isha Gupta	5.91%	6,44,000	0.90%	15,000
Mukesh Kumar HUF	-	-	8.24%	1,37,500
Ansh Commerce (Pvt.) Ltd.	-	-	19.29%	3,21,750

Note 2.2 Reserves and Surplus

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
A. Securities Premium Reserve		
At the beginning of the period	7,33,73,000	7,33,73,000
Add: During the period	1,80,92,550	-
Less: Bonus Issue (Bonus Issue of 89,53,647 Equity Shares @ ₹10/- each)	(8,95,36,470)	-
At the closing of the period	19,29,080	7,33,73,000
B. General Reserve		
Opening balance of General Reserve		
Add: Transferred from P&L Account during the year		
At the closing of the period		
C. Surplus in the Statement of Profit and Loss		
Opening balance	2,56,71,343	93,52,790
Add: Profit for the period	6,48,15,187	1,63,18,553
Less: Dividend Declared (inclusive of DDT)	65,40,055	-
Net Surplus in the Statement of Profit and Loss	8,39,46,474	2,56,71,343
Total (A+B+C)	8,58,75,554	9,90,44,343

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2018

Note 2.3 Long-term Borrowings

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
A. Secured Loans		
I Term Loan from Canara Bank	-	43,52,250
(Term Loan Refer Note a)		
II Term Loan from Canara Bank	71,30,000	96,39,751
(Term Loan Refer Note b)		
II Vehicle Loan		
Vehicle Loan from HDFC Bank	1,17,290	4,17,937
Vehicle Loan from Kotak Mahindra Prime Ltd.	43,77,466	
Vehicle Loan from Canara Bank	8,03,946	-
(Refer Note c)		
Sub-Total	1,24,28,702	1,44,09,938

Notes: (a) (Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by six Directors of the Company.)

(b) (Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by six Directors of the Company.)

(c) (Secured against hypothecation of vehicles.)

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
B. Unsecured Loans		
Unsecured Loans from Directors	1,19,67,185	4,85,90,818
Inter Corporate Deposit	4,30,40,000	-
Sub-Total	5,50,07,185	4,85,90,818
Total (A+B)	6,74,35,888	6,30,00,756

Note 2.4 Deferred Tax Liability (Net)

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Opening balance	40,76,754	(3,60,424)
Deferred tax for the year	(18,85,665)	44,37,178
Closing balance	21,91,089	40,76,754

Note 2.5 Long-term Provisions

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Provision for Gratuity	6,99,769	-
Total	6,99,769	-

Note 2.6 Short-term Borrowings

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Secured		
Working capital borrowings from Canara Bank	14,49,59,553	16,42,50,885
	14,49,59,553	16,42,50,885

Note: (The above loan is secured by way of charge and stock, receivables and hypothecation of assets, apart from the personal guarantees of the Directors.)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2018

Note 2.7 Trade Payables

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Trade payables	5,06,62,930	3,70,37,905
Total	5,06,62,930	3,70,37,905

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

Note 2.8 Other Current Liabilities

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
a) Other Liabilities	3,94,51,153	94,47,484
b) Term loan from Canara Bank instalments due less than 12 months (Refer note 2.8 a)	47,81,250	68,04,000
c) Term loan from Canara Bank instalments due less than 12 months (Refer note 2.8 b)	29,40,000	29,40,000
d) HDFC Bank Car Loan due less than 12 months (2.8 c)	3,30,475	3,30,475
e) Kotak Mahindra Prime Car Loan due less than 12 months (2.8 d)	9,45,865	-
f) Canara Bank Car Loan due less than 12 months (2.8 e)	1,68,834	-
g) Dividend Payable (inclusive of DDT)	65,40,055	-
h) Provision for Gratuity	5,08,269	-
Total	5,56,65,901	1,95,21,959

- a) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by six Directors of the Company. Loan taken from Canara Bank MCB Branch is repayable in monthly instalments starting from Jan' 2014 till Jan' 2019.
- b) Secured by Primary Charge on Equitable Mortgage of Land & Building, existing Plant & Machinery and Other Fixed Assets, Present and Future Collateral for Security of Working Capital & further guaranteed by six Directors of the Company. Loan taken from Canara Bank MCB Branch is repayable in monthly instalments starting from Feb' 2017 till Oct' 2021.
- c) Loan taken from HDFC Bank is repayable in monthly instalments till Jul ' 2019.
- d) Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly instalments till Jan'2023.
- e) Loan taken from Canara Bank is repayable in monthly instalments till Jan'2023.

Note 2.9 Short-term Provisions

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
a) Provision for taxation	3,43,18,911	48,76,912
Total	3,43,18,911	48,76,912

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2018

Annexure – III

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

Sl. No.	Description	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		Additions		Deletion	Total	Depreciation During the Year	Addl. Dep. on Plant and Machinery @20%	W.D.V. as on 31-03-2018
		As on 01-04-2017	Before Sept.					
1	Land	2,23,980			2,23,980			2,23,980
2	Building	2,41,97,746	1,14,397	1,47,110	2,44,59,253	24,38,570		2,20,20,683
3	Plant & Machinery	7,40,54,841	43,09,726	1,28,76,310	9,12,40,877	1,27,20,408	16,12,182	7,69,08,287
4	Air Conditioner	2,33,739			2,33,739	35,061		1,98,678
5	Motor Vehicle	42,40,529		79,84,065	1,20,37,594	12,06,834		1,08,30,760
6	Office Equipments	1,51,008	31,400	1,03,283	2,85,691	35,107		2,50,584
7	Computer	91,000	8,500	1,04,170	2,03,670	60,634		1,43,036
8	Plant & Machinery	7,19,571	17,49,958	25,68,638	50,38,167	15,01,540		35,36,627
9	Pollution Equipment	0		5,20,000	5,20,000	1,04,000	2,60,000	1,56,000
	Total	10,39,12,413	62,13,981	2,43,03,576	13,42,42,970	1,81,02,154	18,72,182	11,42,68,634

Note 2.10 Property, Plant and Equipment (PPE)

Sl. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 31-03-2017	During the Year Addition	During the Year Deletion	Total As on 31-03-2018	Up to 31-03-2017	Transfer	During the Year	Up to 31-03-2018	As on 31-03-2017	As on 31-03-2018
		1	Land	2,23,980			2,23,980	0		0	0
2	Building	4,62,09,289	2,61,507	4,64,70,796	4,64,70,796	2,13,06,361	24,08,703	2,37,15,064	2,27,55,732	2,49,02,928	2,49,02,928
3	Plant & Machinery	7,95,34,630		7,95,34,630	7,95,34,630	4,88,30,212	43,48,256	5,31,78,468	2,63,56,162	3,07,04,418	3,07,04,418
4	Pollution Equipments	22,63,692	5,20,000	27,83,692	27,83,692	15,14,134	1,70,296	16,84,430	10,99,262	7,49,558	7,49,558
5	Tools Components, Spare parts & Structural Steel	10,54,85,663	91,40,123	11,46,25,786	11,46,25,786	6,29,70,198	75,69,011	7,05,39,209	4,40,86,577	4,25,15,465	4,25,15,465
6	Electrical Equipment	5,50,54,680	80,45,913	6,31,00,593	6,31,00,593	4,31,52,326	51,95,945	4,83,48,271	1,47,52,322	1,19,02,354	1,19,02,354
7	Air Conditioner	3,52,249		3,52,249	3,52,249	1,05,689	34,329	1,40,018	2,12,231	2,46,560	2,46,560
8	Motor Vehicle	71,95,756	79,84,065	6,88,018	1,44,91,803	49,19,498	6,53,617	31,64,012	74,29,893	70,61,910	22,76,258
9	Office Equipments	2,34,349	1,34,683	3,69,032	3,69,032	1,79,989	93,008	2,72,997	96,035	54,360	54,360
10	Rolls	98,13,059	43,18,596	1,41,31,655	1,41,31,655	63,89,491	26,55,443	90,44,934	50,86,721	34,23,568	34,23,568
11	Computer	3,13,288	1,12,670	4,25,958	4,25,958	2,06,945	1,42,107	3,49,052	76,906	1,06,343	1,06,343
	Total	30,66,80,634	3,05,17,557	6,88,018	33,65,10,173	18,95,74,843	6,53,617	21,47,02,336	12,18,07,838	11,71,05,792	11,71,05,792
	Work-in-Progress					59,96,402					

Sl. No.	Description	Previous Year Total				
		As on 31-03-2016	During the Year Addition	Deletion	Total	Dep. During the Year
		30,16,97,905	70,38,399	20,55,670	30,66,80,634	16,94,82,749
				2,19,13,971	18,21,877	18,95,74,843
					11,71,05,792	13,22,15,156

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2018

Note 2.11 Long-term Loans and Advances

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Unsecured, considered good		
Deposit with Govt. Authorities	1,26,708	1,01,708
Rent deposit	42,000	80,800
Total	1,68,708	1,82,508

Note 2.12 Other Non-Current Assets

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
IPO Expenses	13,95,500	-
Total	13,95,500	-

Note 2.13 Inventories

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Raw material	7,72,92,684	7,96,50,196
Finished Goods	9,64,27,392	8,25,78,220
Stores & Consumables	14,73,89,973	9,27,85,161
Total	32,11,10,049	25,50,13,577

Note 2.14 Trade Receivables

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Unsecured, considered good		
Outstanding for a period exceeding six months	72,22,604	85,70,396
Others	9,59,40,006	4,72,98,089
Total	10,31,62,610	5,58,68,485

Note 2.15 Cash and Bank Balance

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
Cash on Hand	9,43,334	5,97,501
Balance with Bank		
On Current Accounts	15,80,018	22,30,886
Term Deposit Accounts	4,66,300	4,66,300
Note : Term Deposits are held as Margin for BG		
Total	29,89,652	32,94,687

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2018

Note 2.16 Short-term Loans and Advances

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
(Unsecured and considered good)		
Advance Income tax	68,00,000	2,00,000
Advance to suppliers	48,32,474	6,81,471
Balance with Central Excise	-	10,96,809
Excise Duty Receivable	-	16,48,665
Deposit with APCPDCL (Additional Consumption Deposits)	56,45,528	1,46,67,516
Advance to Capital Goods Suppliers	44,41,727	2,25,650
Total	2,17,19,729	1,85,20,111

Note 2.17 Other Current Assets

	(Value ₹)	
	As at 31-03-2018	As at 31-03-2017
I.T. Refund Receivable	31,87,886	31,87,886
Insurance Claim Receivable	7,23,579	6,59,932
M.A.T. Entitlement	-	29,17,397
Other Receivable	2,77,761	42,15,236
Prepaid Exp.	9,71,531	11,35,175
Sales Tax Receivable	84,732	84,732
TDS Receivable	2,77,724	3,42,995
TCS Receivable	98,815	-
Total	56,22,028	1,25,43,353

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2018

Note 2.18 Revenue from Operation

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
(A) Sales		
Sales of Manufacturing goods	1,22,73,34,840	93,58,86,519
Sales Raw Mateirals	62,18,419	58,82,965
Sales Trading	65,57,215	7,73,00,491
Gross Sales & Services	1,24,01,10,474	1,01,90,69,975
Less: Taxes & Duties	18,92,21,444	14,74,43,129
Net Sales	1,05,08,89,030	87,16,26,846
(B) Other Income		
Commission Received	-	8,10,000
Exchange Fluctuation	2,467	13,545
Interest Received	27,78,051	29,81,268
Interest Received from IT	-	2,38,822
Job Work Charges Received	-	12,50,032
Net Other Operating Income	27,80,518	52,93,667
Total Revenue from Operation (A+B)	1,05,36,69,548	87,69,20,513

Note 2.19 Cost of Materials Consumed

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
(A) Raw Materials Consumed		
Opening Stock of Raw Material	7,96,50,196	7,17,49,944
Add: Purchase	59,60,79,038	52,50,70,313
	67,57,29,234	59,68,20,257
Less: Closing Stock of Raw Material	7,72,92,684	7,96,50,196
(A) Raw Material Consumed	59,84,36,550	51,71,70,061
(B) Consumable Consumed		
Opening Stock of Consumable	9,27,85,161	6,21,59,648
Add: Purchase	6,34,44,625	3,87,64,232
	15,62,29,786	10,09,23,880
Less: Closing Stock of Consumable	14,73,89,973	9,27,85,161
(B) Consumable Consumed	88,39,813	81,38,719
Total Cost of materials Consumed (A+B)	60,72,76,363	52,53,08,780

Note 2.20 Other Purchases

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
Purchase Trading	54,11,413	7,14,31,936
Total Stock-in-Trade	54,11,413	7,14,31,936

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2018

Note 2.21 Changes in inventories of Work-in-Process & Finished Goods

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
(A) Opening Stocks		
Finished goods	8,25,78,220	7,13,75,112
Total - A	8,25,78,220	7,13,75,112
(B) Closing Stocks		
Finished goods	9,64,27,392	8,25,78,220
Total - B	9,64,27,392	8,25,78,220
(C) (Increase)/Decrease in Stocks (A-B)	(1,38,49,172)	(1,12,03,108)

Note 2.22 Employee Benefit Expenses

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
Employees remuneration and benefits	2,21,82,486	1,15,63,185
Contribution to PF / ESI	4,76,657	3,31,688
Gratuity Exp	12,08,038	-
Remuneration to Managerial personnel	80,25,000	86,40,000
Staff welfare expenses	4,45,801	58,906
Total Employee Benefit Expenses	3,23,37,982	2,05,93,779

Note 2.23 Finance Costs

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
Interest on Term Loans	24,54,539	20,23,206
Interest on Vehicle Loan	1,44,668	47,614
Interest on Working Capital	1,84,72,248	2,14,20,494
Other Financial Charges	8,41,501	13,29,522
LC Commission	68,34,734	23,74,999
Total Finance Cost	2,87,47,690	2,71,95,835

Note 2.24 Other Expenses

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
Power & fuel	25,99,10,807	19,04,52,227
Job Work Charges	-	11,99,048
Repairs & Maintenance:		
Plant & Machinery	5,74,195	5,11,965
Building		
Vehicles	2,17,776	1,29,726
Other Assets	95,300	87,237
Other selling & Distribution expenses	11,04,407	13,98,572
Travelling & Conveyance	6,91,162	93,930
Insurance	9,08,624	8,99,008
Rent	11,04,800	11,74,950
Rates & Taxes (Excluding Taxes on Income)	19,64,326	11,46,780
Remuneration to auditors:		
Audit Fee	1,00,000	55,000
Tax Audit Fee	30,000	10,000
Certification Fee/Taxation matter	57,000	10,000
Communication Expenses	3,90,070	3,10,600
Professional consultancy	4,11,577	5,33,618
Total Other Expenses	26,75,60,044	19,80,12,661

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2018

Note 2.25 Exceptional Items

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
Profit on Sale of Assets	1,52,599	2,18,524
Total	1,52,599	2,18,524

Note 2.26 Tax Expenses

	(Value ₹)	
	For the Period Ended 31-03-2018	For the Period Ended 31-03-2017
(A) Current Tax		
Current tax expenses	3,43,18,911	48,76,912
Mat Entitlement Paid/Utilised	29,17,397	(19,12,919)
(A) Current Tax	3,72,36,308	29,63,993
(B) Deferred Tax	(18,85,665)	44,37,178

NOTICE

NOTICE is hereby given that the **11th Annual General Meeting** of the Members of **Hariom Pipe Industries Limited (Formerly Hariom Concast and Steels Private Limited)** will be held on Monday, the 9th day of July 2018, at 05.00 P.M. at the Registered Office of the Company situated at 3-4-174/12/2, 1st Floor, Samarpan, Lane beside Spencer's, Pillar No. 125, Attapur, Hyderabad - 500 048, Telangana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2018 along with the Report of the Directors and the Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare dividend of ₹0.60/- per Equity Share of ₹10/- each to the shareholders for the Financial Year 2017-18 and in this regard pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT a Dividend at the rate of ₹0.60/- (Sixty Paise only) per Equity Share of ₹10/- (Ten Rupees) each fully paid-up of the Company be and is hereby declared for the Financial year ended 31st March, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the Financial year ended 31st March, 2018.

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

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

SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2019 and in this regard pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year

2018-19 to M/s. Seshadri & Associates, Cost Accountants (Regn. No. 101476), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2019, amounting to ₹ 55,000/- (Rupees Fifty Five Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.

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

Rupesh Kumar Gupta

Managing Director

DIN: 00540787

Place: Hyderabad

Date: 09.06.2018

Notes:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total Share Capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Attendance slip, proxy form are annexed to the Report.
5. In terms of provisions of Section 152 of the Companies Act, 2013, Smt. Sunita Gupta, Director, retire by rotation at the meeting. Nomination and Remuneration Committee and the Board of Directors of the Company commend her respective re-appointment and the details of Director retiring by rotation/ seeking re-appointment at the ensuing meeting are provided in the "Annexure to the Notice".
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide

notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 29th September, 2017.

7. Shareholders/ Proxies/ Authorised Representative are requested to bring necessary details of their Shareholding, attendance slip(s) and copies of annual report to the annual general meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
8. The Dividend on Equity shares, if Declared at the meeting, will be credited/dispatched within thirty days from the conclusion of the meeting to those members whose names appears on the Companies register of members on the record date fixed for the purpose.

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

Item No. 4:

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Seshadri & Associates, Cost Accountants (Regn. No. 101476), Hyderabad to conduct the Audit of the Cost records of the Company at a

remuneration of ₹ 55,000/- (Fifty Five Thousand only) for the Financial year ending 31st March, 2019.

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

Accordingly ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019 by passing an ordinary resolution as set out at Item No. 4 of the Notice.

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

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

Rupesh Kumar Gupta

Managing Director

DIN: 00540787

Place: Hyderabad

Date: 09.06.2018

Annexure to the Notice dated 9th June, 2018

Details of Director retiring by rotation / seeking re-appointment at the meeting.

Name of the Director	Smt. Sunita Gupta
Date of first appointment	01.10.2014
Date of birth/age	31.12.1956
Expertise in specific functional areas	Director of Hariom Pipe Industries Limited (Formerly Hariom Concast and Steels Private Limited) w.e.f. 01.10.2014.
Educational qualification	Under Graduate
Chairman/member of the committees of board of Directors of the Company	1. Member of Nomination and Relationship Committee 2. Chairperson of Stakeholder Relationship Committee
List of Directorships (excluding private limited), Committee Chairmanship, other companies as on date Membership held in	NIL

HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast and Steels Private Limited)
CIN: U27100tg2007ptc054564
Registered Office: Samarpan, 3-4-174/12/2, 1st Floor, Lane Beside Spencer's Pillar No. 125, Attapur,
Hyderabad – 500 048, Telangana.
website – www.hariompipes.com E-mail – accounts@hariompipes.com

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/ proxy/ representative for the registered shareholder(s) of Hariom Pipe Industries Limited (Hariom Concast And Steels Private Limited).

I hereby record my presence at the Annual General Meeting of the shareholders of M/s. Hariom Pipe Industries Limited (Formerly Hariom Concast And Steels Private Limited) held on Monday, 9th July, 2018 at 5.00 P.M. at Samarpan, 3-4-174/12/2, 1st Floor, Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad – 500 048, Telangana.

Reg. Folio No.	DP ID*
No. of Shares	Client ID*

*Applicable if the shares held in electronic form

Name & Address of Member

Signature of Shareholder/ Proxy/ Representative

(Please Specify)

**HARIOM PIPE INDUSTRIES LIMITED
(FORMERLY HARIOM CONCAST AND STEELS PRIVATE LIMITED)
CIN: U27100TG2007PTC054564**

**REGISTERED OFFICE: SAMARPAN, 3-4-174/12/2, 1ST FLOOR, LANE BESIDE SPENCER'S PILLAR NO. 125,
ATTAPUR, HYDERABAD – 500 048, TELANGANA.
website – www.hariompipes.com E-mail – accounts@hariompipes.com**

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN	U27100TG2007PTC054564
Name of the Company	HARIOM PIPE INDUSTRIES LIMITED (FORMERLY HARIOM CONCAST AND STEELS PRIVATE LIMITED)
Registered office	SAMARPAN, 3-4-174/12/2, 1ST FLOOR, LANE BESIDE SPENCER'S PILLAR NO. 125, ATTAPUR, HYDERABAD – 500 048, TELANGANA
Name of the member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	DP ID:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name	
Address	Signature
E-mail ID	
or failing him	
2. Name	
Address	Signature
E-mail ID	
or failing him	

as my/our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company to be held on Monday, 9th July, 2018 at 5.00 P.M. at Samarpan, 3-4-174/12/2, 1st Floor, Lane Beside Spencer's Pillar No. 125, Attapur, Hyderabad – 500 048, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2018 along with the Report of the Directors and the Auditors thereon.		
2.	To declare dividend of ₹ 0.60/- per Equity Share of ₹10/- each to the shareholders for the Financial Year 2017-18.		
3.	To appoint Smt. Sunita Gupta, who retires by rotation as a Director.		
4.	To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2019.		

Signed this day of 2018.

Signature of shareholder: _____ Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Hariom Pipe Industries Limited

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

