

BUILDING SCALE

FOR A STRONG FUTURE

FY 2018-19 KEY ACHIEVEMENTS

Financial

₹133.92 crores
Total revenue

₹17.31 crores
EBITDA

₹8.22 crores
Profit after tax

Operational

32,083 tonnes per annum
Total sales volume

89.79%
Capacity utilisation

23.56%
Increase in production on a
y-o-y basis

WHAT'S INSIDE

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We are building a future-ready company on the back of expanded capacities, empowered teams, wider distribution network and advanced technology interventions. Quality remains our polestar; and this makes our products and processes more competitive. Despite short-term headwinds and industry challenges, our strong fundamentals, along with continued focus on premiumisation and customer-first approach will hold us in good stead in the coming years.

We are preparing a robust foundation, and we are confident to grow profitably and deliver on the expectations of all stakeholders.

PROGRESSING WITH SCALE

We belong to the esteemed Hariom Group, founded by Mr. Hariom Golas back in 1962. We embarked on our momentous journey in 2007, building scale and focusing on premiumisation of iron and steel products to build a stronger future for all those who have a stake in our progress.

Focusing on innovation and best-in-class technology, we have fortified our presence in the South Indian markets. We service our customers with a diverse portfolio of 200+ products, comprising mild steel billets, pipes and tubes, hot-rolled coils and scaffolding systems. Besides, we are accredited with ISO 9001:2015 and IS 2830:2012 certifications, demonstrating our compliance with stringent quality norms.



Vision

To be one of the top-notch iron and steel suppliers in our segment, catering to industry needs.



Mission

To develop our nation and make it a better place to live by building a robust economy coupled with strong infrastructure.

78,800 MTPA*

Total capacity

1,388

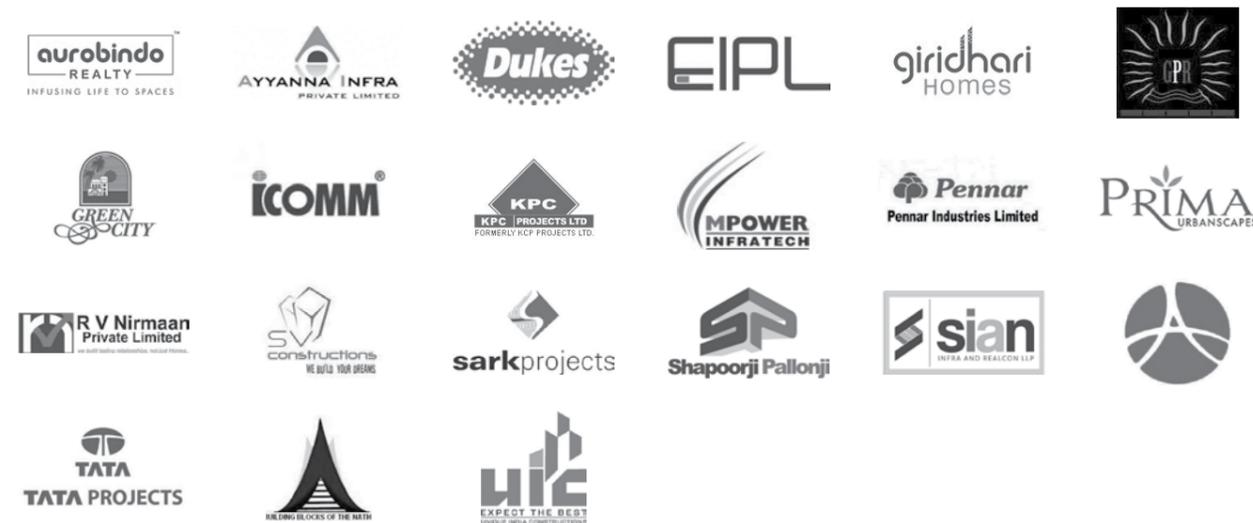
Distribution network size

373+

Team size

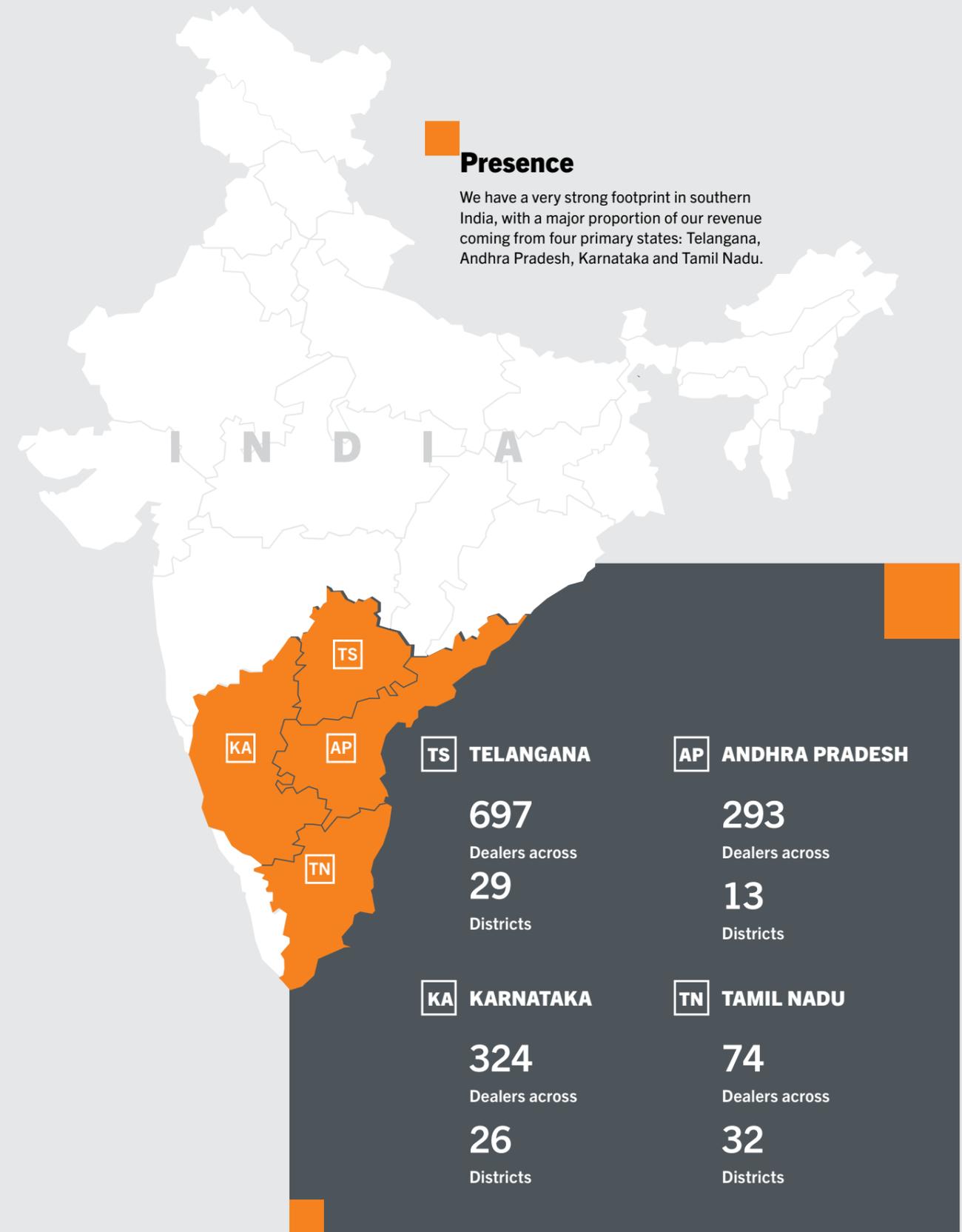
*MTPA - metric tonnes per annum

Clients who make us proud



Presence

We have a very strong footprint in southern India, with a major proportion of our revenue coming from four primary states: Telangana, Andhra Pradesh, Karnataka and Tamil Nadu.

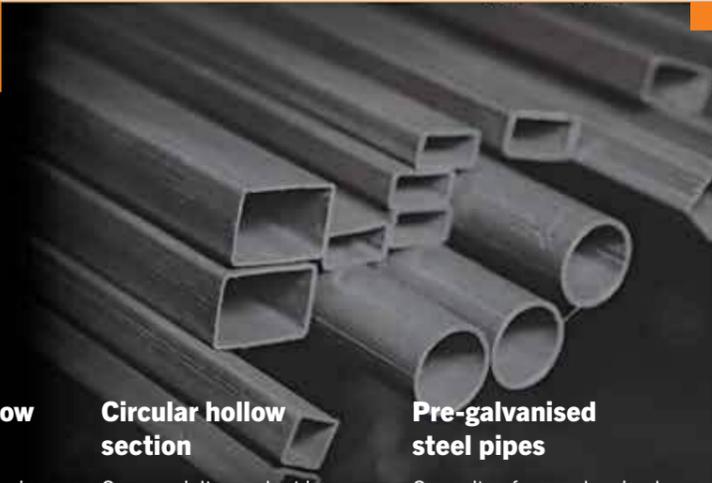


Product suite

We have a diversified product suite spanning five primary product categories:



MILD STEEL (MS) PIPES AND TUBES



We manufacture an array of quality steel pipes and tubes, which are round, square, D-shaped and rectangular in shape. The pipes manufactured by us have an outer diameter ranging between 19 mm and 127.5 mm and a thickness ranging between 1 mm and 3.5 mm.

Square hollow section

Manufactured using high-grade steel to lend it superior tensile strength, these pipes are available in various sizes ranging between 20x20 mm and 100x100 mm and thickness ranging between 2 mm and 4 mm.

- ▲ Cement industry
- ▲ Sewage treatment
- ▲ Petroleum refineries
- ▲ Electric power plants
- ▲ Textile industry
- ▲ Paper mills
- ▲ Chemical industry
- ▲ Food processing plants

Rectangular hollow section

A range of rectangular pipes and rectangular steel tubing with a size ranging between 40x20 mm and 122x61 mm and thickness ranging between 2 mm and 4 mm. The product range is best known for its durability.

- ▲ Furniture
- ▲ Motorcycles
- ▲ Bicycles
- ▲ Doors and windows
- ▲ Industrial plant structure
- ▲ Container fabrication
- ▲ Supermarket racks

Circular hollow section

Our specialty product is a range of customisable round steel pipes that are recognised for strength and corrosion-resistance. The standard pipes have a size ranging between 15 mm and 110 mm and the thickness ranging between 2 mm and 4.5 mm.

- ▲ Construction industry
- ▲ Sewage water lines
- ▲ Gas pipelines

Pre-galvanised steel pipes

Our suite of pre-galvanised steel pipes is acknowledged for its durability and customisable nature. These pipes are available with an outer diameter ranging between 12.5 mm and 203.2 mm, thickness ranging between 0.8 mm and 3 mm and a length ranging between 5.5 metres and 6 metres.

- ▲ Galvanised steel fencing
- ▲ Road and parking barriers
- ▲ Agriculture and irrigation
- ▲ Steel gates and windows
- ▲ Water pipelines
- ▲ Sewerage systems



HOT ROLLED (HR) SKELPS/COILS



Using cutting-edge technology, we manufacture best-in-class HR skelps and coils of varied shapes and sizes, popular for their durability.

- ▲ Various industrial structural setups
- ▲ Industrial cable trays



MILD STEEL (MS) BILLETS



We produce a range of quality billets for our customers with various customisation options ranging from dimensions to specific requirements.

- ▲ Structural steel products like round bars and flat bars, among others
- ▲ Angles, channels and grinders
- ▲ Rolling of TMT rebars of Fe415 and Fe500 grades



SCAFFOLDING SYSTEMS

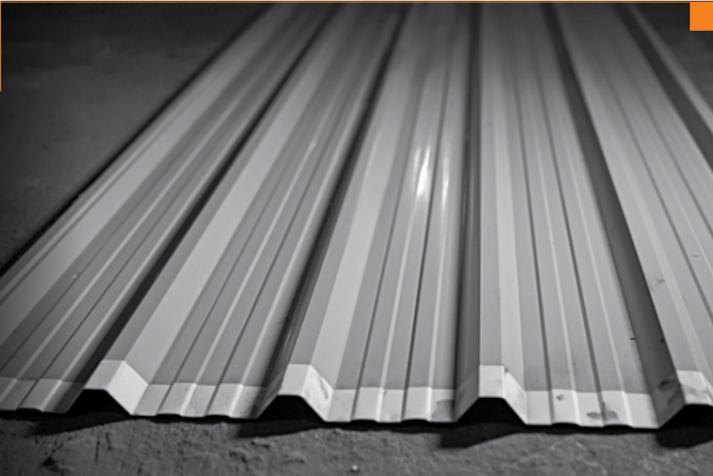


These are a range of temporary work platforms used at a construction site to conduct construction activities above the ground level, which are customised as per customer requirements.

- ▲ Construction industry
- ▲ Industrial structures
- ▲ Slab casting
- ▲ Maintenance work for plants, machinery and buildings



ROOFING SHEETS



Using quality materials coupled with cutting-edge technology, we produce a range of customised roofing sheets with a range of geometric designs, best known for their durability and corrosion-resistance.

- ▲ Wall panels
- ▲ Industrial sheds
- ▲ Construction industry

Message from the Managing Director

**BUILDING A STRONGER
FUTURE TOGETHER**

Dear Stakeowners,

It gives me immense pleasure to present our 12th Annual Report for the fiscal 2018-19. This year saw us expand our capacities as we had planned. We are further strengthening our capacity and sharpening our innovation focus to drive our topline and bottomline growth.

Despite a slowdown in the economy and challenges faced by the domestic steel sector following indiscriminate dumping by China, South Korea and Japan, we managed revenues of ₹133.92 crores during the year under review compared to ₹105.37 crores in 2017-18. We registered a growth of 27.09% y-o-y. We also recorded EBITDA margin of ₹17.31 crores in 2018-19 vis-à-vis 11.75% in 2017-18, recording a y-o-y growth of 1,175 bps. Further, we also recorded a profit after tax of ₹8.22 crores in the year under review compared to ₹6.48 crores in 2017-18, registering a y-o-y growth of 26.85%.

In the year under review, we strengthened the technology and improved the entire hot charging method, ensuring reduced burning loss of the liquid metal, lesser coal consumption and faster turnaround times*.

Scale matters

The capacity expansion entailed an overall capex of ₹32.79 crores, out of which ₹11.29 crores was sourced through internal accruals. To sustain the product quality that the Hariom brand is synonymous with, we have hired 5 professionals in the quality control team. Additionally, to cater to our customers better and to move the excess production seamlessly, we widened our network to 1388 dealers. These initiatives translated into a growing revenue trajectory during the year under review.

Pioneering zeal

Back in 2010-11, we pioneered strip hot charging method in India, wherein the billets from the continuous casting machine is directly sent to the rolling mill, which was earlier stored, cooled and again pre-heated before sending to the rolling mill. This process helped us save time, cut down costs and reduce the consumption of coal. The net cost saving from the process alone was 2.8%.

During the year under review, we strengthened the technology and improved the entire hot charging method, ensuring reduced burning loss of the mild steel billets, lesser coal consumption and faster turnaround times*. During 2018-19, we also introduced new shapes and sizes in the casting machine and focused on improved product quality.

Optimism at the core

The steel industry in the country is expected to grow on the back of the government's emphasis on construction and real estate. On the backdrop of these tailwinds, our optimism rests on our ability to service our customers with an array of premium and customised products.

On behalf of the Board of Directors, I thank our customers, employees, channel partners and communities for their continued trust and support. We will continue to grow by broadbasing our presence across South India; and building scale, driving efficiency, enhancing customer-centricity and nurturing a culture of excellence.

Regards,

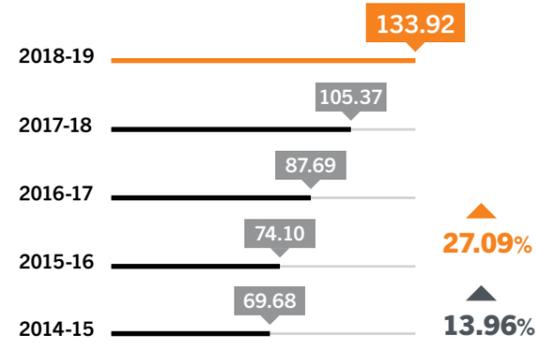
Rupesh Kumar Gupta
Managing Director

* faster than the industry average

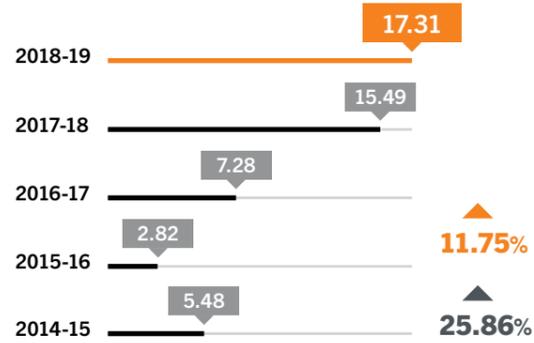
ENCOURAGING REPORT CARD

Profit and loss indicators

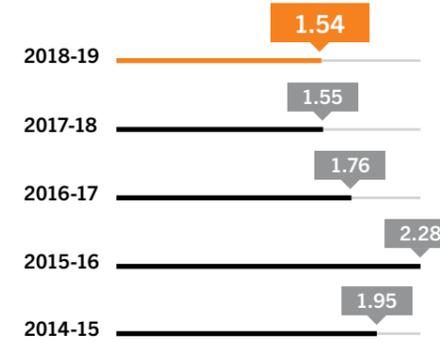
REVENUE (₹ in crores)



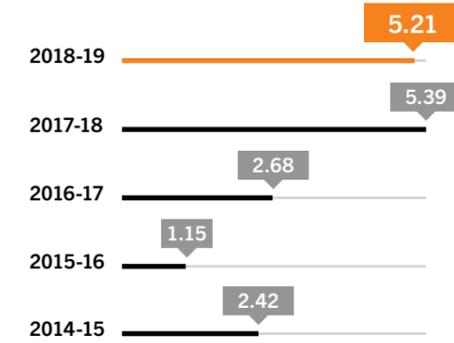
EBITDA (₹ in crores)



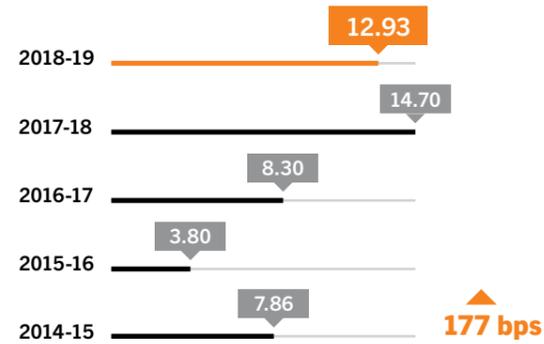
DEBT-EQUITY RATIO



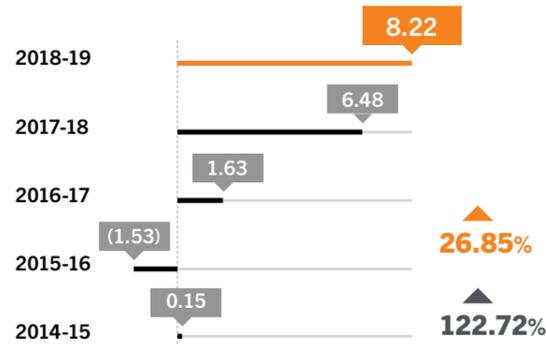
INTEREST COVERAGE RATIO



EBITDA MARGIN (in %)

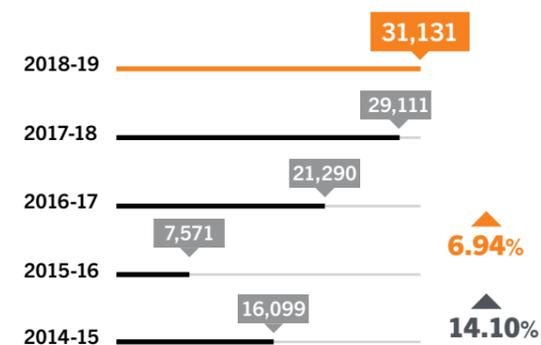


PROFIT AFTER TAX (₹ in crores)

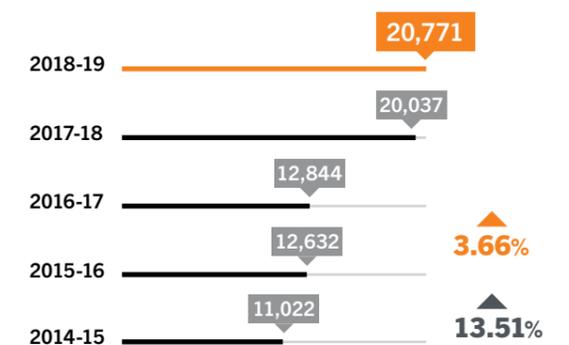


Operational indicators

INDUCTION FURNACE PRODUCTION (in metric tonnes)

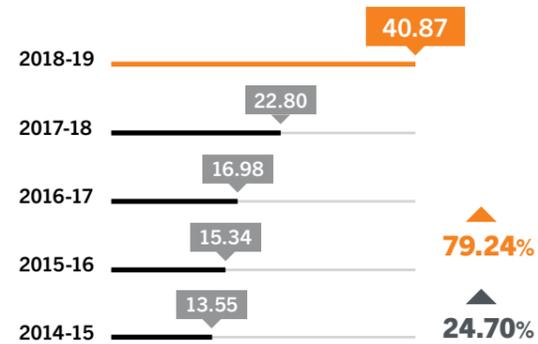


ROLLING MILL PRODUCTION (in metric tonnes)

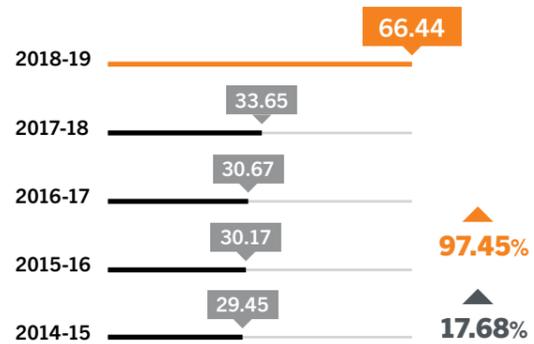


Balance sheet indicators

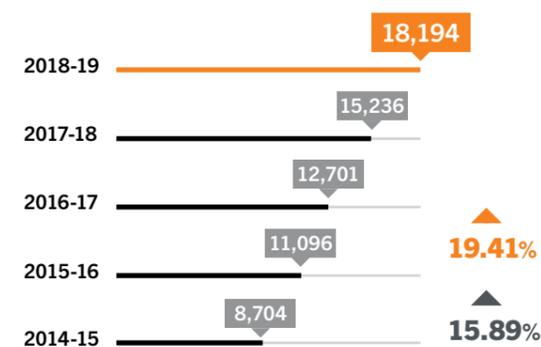
NET WORTH (₹ in crores)



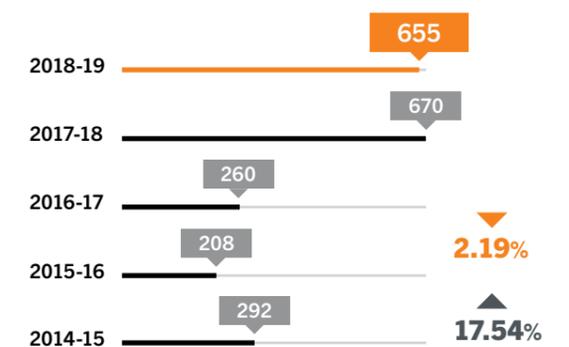
GROSS BLOCK (₹ in crores)



PIPE MILL PRODUCTION (in metric tonnes)



SCAFFOLDING PRODUCTION (in metric tonnes)



▲ y-o-y growth ▲ 5-year CAGR

RESPONDING TO EMERGING OPPORTUNITIES



Our operating environment continues to evolve, and we are making best use of the opportunities to grow organically and deliver on the expectations of our clients.



01. IMPORT SUBSTITUTION



02. POLICY SUPPORT



03. BURGEONING REAL ESTATE DEMAND



04. PREMIUMISATION

What is the big picture?

- 01.** The Government of India is undertaking proactive measures to curb steel import such as the 'Make in India' initiative. The country is also in the process of introducing anti-dumping import duty on steel to protect its domestic steel industry and drive exports.
- 02.** The National Steel Policy would not only drive steel capacity but also consumption across the country.
- 03.** Backed by the government's initiatives such as PMAY, RERA and budgetary allocations, the demand for both residential and commercial real estate has gained traction, thus driving the downstream steel demand.
- 04.** Increasing urbanisation and rising disposable incomes have altered the lifestyle choices of the people in India and has led to the preference of premium steel products, especially in metro cities.

How are we positioned?

- 01.** We scaled our production across three different product verticals to take advantage of the economies of scale and drive steel demand.
- 02.** We are increasing our production capacities in line with the vision of the National Steel Policy. Besides, our fully integrated plants help us scale our operations seamlessly.
- 03.** With growing scale and a strong footprint in the southern parts of the country, Hariom Pipes is not only positioned to grow its topline, but also improving the revenue contribution of real estate in the total revenue mix.
- 04.** We have positioned ourselves as a premium manufacturer of steel products. The positioning of our brand coupled with an experienced management team with sharper focus on quality helps us service our customers with an array of diverse and premium products.

~160_{kg}

Per capita steel consumption by 2029-30

~48,000_{crores}

Budgetary provision for real estate in 2018-19

(Read more on Pages 19 and 20)

WHAT NEEDS TO BE ADDRESSED WITH URGENCY

We have identified key priorities that will help accelerate our growth. Our strategies are backed by our strong culture of governance and robust risk-management framework.



Expanding footprint

Strengthening our presence in South India remains our critical focus area.

99.85%

Revenue contribution from South India

INITIATIVES

- Expanded our network to 1,388 dealers in 2018-19
- Increased the throughput per dealer during the year under review

ACHIEVEMENTS

- Reinforced presence in Tamil Nadu and Telangana
- Increased revenue contribution from Karnataka and Andhra Pradesh

Building scale and driving efficiency

We are focused on increasing our scale and improving efficiencies, which would, in turn, drive revenues and profitability.

2,356_{bps}

Increase in capacity utilisation (y-o-y)

INITIATIVES

- Increased our scale across three product verticals
- Invested proactively to initiate automation across the plant, resulting in improved efficiencies and decreased human interventions, aiding us to better control costs and turnaround times
- Undertook debottlenecking measures to streamline the process, increase efficiencies and reduce production costs

ACHIEVEMENTS

- Increased our billet capacity to 74,400 tonnes during the year
- Increased our rolling mill capacity to 84,000 tonnes
- Enhanced our piping mill capacity to 84,000 tonnes
- Increased production capacities by another 8.76% during the year under review by introducing automation in our processes

Enhancing customer centricity

Our aim is to understand and handhold our customers to realise their specific aspirations for the medium and long term.

90%

Revenue generated from repeat clients

INITIATIVES

- Reduced our turnaround time extensively and recorded better metrics than industry standards
- Organised dealers and distributor meets and focused on servicing our customers with quality products in lesser turnaround times
- Provided special handholding schemes like channel-financing, enhancing liquidity to aid the dealers and distributors

ACHIEVEMENTS

- Roped in 53 new clients in the year under review
- Increased the proportion of revenue generated from our customers with whom we have had an association for 5 years or more

Nurturing a culture of excellence

To ensure that the senior management is not caught up with the day-to-day activities and rather focuses on formulating long-term strategies.

20%

Increase in team size (y-o-y)

INITIATIVES

- Focused on creating a diverse workforce with talents from different sectors
- Grew team size to 373 in 2018-19
- Organised dedicated training sessions for both our corporate and plant employees
- Conducted health and safety training for our employees, especially our plant workers, which resulted in reduced injuries and ensured zero casualties in our plants

ACHIEVEMENTS

- Ensured gender diversity at the corporate office with ~15% female colleagues
- Registered 20% women representation in the senior management

WIDENING AND DEEPENING OUR SOCIETAL ROLE

As a part of our CSR initiatives, we focus on education, animal welfare and child healthcare. We are also progressively reducing our carbon footprint.

In line with the Companies Act, 2013, we framed our Corporate Social Responsibility (CSR) Policy, which is supervised by the CSR committee, with the objective of benefiting the weaker sections of the society. The CSR committee is one of the Board committees, which comprise the following members:

RUPESH KUMAR GUPTA
MANAGING DIRECTOR
Chairman

SAILESH GUPTA
WHOLETIME DIRECTOR
Member

PRAMOD KUMAR KAPOOR
CHAIRMAN AND
NON-EXECUTIVE INDEPENDENT DIRECTOR
Member



Animal welfare

Under animal welfare, we contributed towards cattle feed in Hyderabad.

₹ 2,58,555

Amount contributed towards animal welfare (cattle feed) in 2018-19



Healthcare

We focused on preventive healthcare initiatives in Hyderabad and contributed to the Thalassemia and Sickle Cell Society.

₹ 35,700

Amount contributed towards healthcare in 2018-19



Education

We promoted primary and secondary education in rural and economically-backward communities in Hyderabad by catering to their basic needs such as benches and by distributing books and curriculum materials to Rajasthan Graduate Association.

₹ 3,31,000

Amount contributed towards education in 2018-19

LEADERSHIP THAT INSPIRES

At Hariom Pipes, our Board of Directors (BOD) are guided by a strong culture of governance and risk framework to translate strategies into on-ground growth stories.

Board of Directors



Pramod Kumar Kapoor
Chairman and Independent Director



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-time Director



Sunita Gupta
Non-Executive Director



Santosh Kumar Rathi
Independent Director

Management team



Rupesh Kumar Gupta
Managing Director



Sailesh Gupta
Whole-time Director



Rakesh Kumar Gupta
Investment and
Technology Advisor



Amitabh Bhattacharya
Chief Financial Officer



Chirag Partani
Company Secretary and
Compliance Officer



Parul Gupta
Chief Human Resource Officer



Isha Gupta
Chief Customer Officer



Ashish Agarwal
Marketing Head

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economic Overview

During 2018-19, India slowed down from its 7.2% y-o-y growth in 2017-18 to 6.8%. One of the primary reasons behind this downturn was the liquidity crunch in the financial services sector, especially among the Non-Banking Financial Companies (NBFCs), owing to their inability to address their liabilities. This led to a sluggish fourth quarter growth, which stood at 5.8%.

Despite the contraction, the country retained its position as the fastest-growing trillion-dollar economy through the course of the year (except in the last quarter of 2018-19) and emerged as the sixth-largest global economy. India's inflation (including food and energy prices) for 2018-19 stood at 2.6%, which was lower than Reserve Bank of India's medium-term target of 4%. India sustained its core economic growth (eight core industries together) at 4.3% in 2018-19, with cement, steel, fertiliser and refinery products bolstering the index.

In 2018, India acquired the 77th position in ease of doing business globally among 190 countries, witnessing a jump in 23 ranks. The country also attracted foreign inflows of ~\$38 billion in 2018-19 compared to China's \$32 billion. During the year, the Indian Rupee (₹) recorded valuations as low as ₹74.45 against a dollar and closed the fiscal at a valuation of ₹69.44 against a dollar. During 2018-19, the Government of India continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

The Reserve Bank of India (RBI) impetus

Liquidity crunch in the economy prompted the RBI to cut repo rate by 25 bps to 6%, the second cut in a period of three months, making India the only economy in Asia to have implemented two consecutive policy rate cuts in a fiscal. The combined 50 bps cut also reflected the RBI's intent of infusing liquidity in the economy to bolster and empower it to navigate through this challenging period.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, interest rate cuts and weakened consumer sentiment starting from the second half of the financial year owing to the liquidity crisis.

Key government initiatives

- **Bank recapitalisation scheme:** The government infused ₹2.1 lakhs crores in public sector units, alongside ₹41,000 crores through recapitalisation bonds in 2018-19.
- **Expanding infrastructure:** The government invested ₹1.52 trillion to construct 6,460 kilometres of roads in 2018. Further, the government invested a total of ₹5.97 trillion (\$89.7 billion) towards infrastructural development across the country.
- **The Insolvency and Bankruptcy code (Amendment), Ordinance 2018:** This ordinance provides significant relief to home-buyers by recognising them as financial creditors. The major beneficiaries are MSMEs, empowering the Government of India to provide them a special dispensation under the code.
- **Direct benefit transfer:** This initiative helped in re-structuring the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. The gains to have accrued since the implementation of this scheme is estimated to be over ₹120,000 crores.

Outlook

According to the International Monetary Fund (IMF), India is expected to register a GDP growth rate of 7.3% in 2019, which is expected to further grow to 7.5% in 2020, riding on the back of continued recovery in investment (9.4% growth) coupled with a robust consumption story. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US.

(Source: CSO, Bloomberg, Fitch, IBEF, Money control)

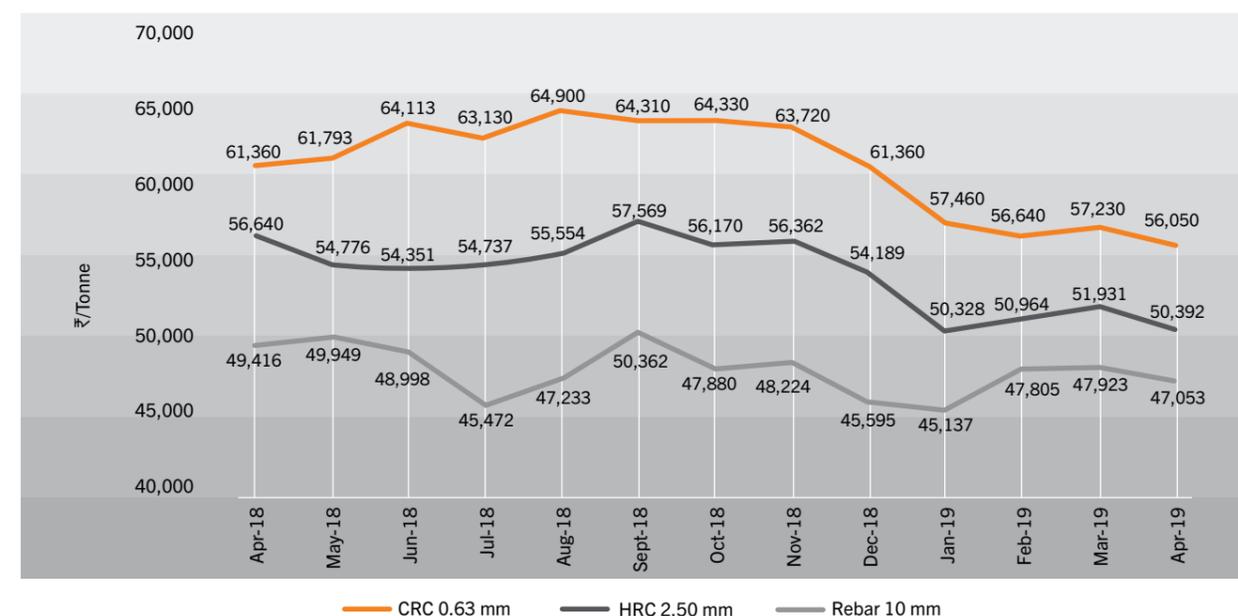
Indian Steel Industry Overview

India emerged as the second largest steel producer globally, following China in 2018 and retained its position as the third-largest finished steel consumer after China and the US. In 2018, the country also emerged as the largest producer of sponge iron across the world. India's installed capacity of steel stood at 132 million tonnes in 2018. On the backdrop of this capacity, the crude steel production in the country stood at 106.5 million tonnes in 2018-19 compared to 103.1 million tonnes in 2017-18, registering a y-o-y growth of 3.3%.

India's per capita consumption of steel in 2018-19 stood at 69 kilograms compared to the global average of ~214 kg, validating the country's huge headroom available for growth. This coupled with increasing focus of the Government on India's infrastructure and real estate space and the growing per capita income of people is expected to drive the steel industry in the country. This growth is largely expected owing to the fact that construction and real estate sectors account for 60-65% of domestic steel consumption.

Due to the rise in iron ore prices, the steel price also saw an upward revision till September 2018 before recording a steep decline. Average prices of Hot-Rolled Coils (HRC) and Cold-Rolled Coils (CRC) during 2018-19 saw an overall decline in prices by 11% and 8.7%, respectively.

Graph No. 2: Market Price of HR Coil, CR Coil and Rebars
Finished Steel Retail Prices for April 2019: Ex-Mumbai (inc. GST)



The year saw Canada, the US, Turkey and European Union markets initiate import duty on steel imported from China, Japan and South Korea. Consequently, these steel exporters dumped their steel in India, corroding the average steel prices. This also affected the exports of steel from India, which saw a 34% decline on a y-o-y basis, from 9.62 million tonnes in 2017-18 to 6.36 million tonnes in 2018-19. Concurrently, the imports witnessed a y-o-y rise of 4.7%, from 7.48 million tonnes in 2017-18 to 7.84 million tonnes in 2018-19. This resulted in India emerging as a net steel importer during the year under review.

Outlook

The country's steel demand is estimated to grow at 7-8% in 2019-20 on the back of growing expenditure in the construction and real estate sectors. Domestic steelmakers are expected to increase their capacity by ~16 million tonnes between 2018-19 and 2020-21. This capacity ramp-up and refurbishment of stressed assets could lead to an industry-wide capex of ~₹750-800 billion between 2018-19 and 2020-21.

The steel industry is expected to achieve 300 million tonnes of production capacity by 2030. Increased outlays for the railways sector, affordable housing push, and rising demand in capital goods and consumer durables will further boost the domestic steel industry's growth.

(Source: PIB, Bloomberg, Ministry of Steel, World Steel, ICRA, Reuters)

Government initiatives

- The National Steel Policy strives to achieve a crude steel capacity of 300 million tonnes, production of 255 million tonnes and a per capita consumption of finished steel of ~160 kg by 2029-30

- The housing and construction sector accounts for the biggest share of domestic steel demand in India. This sector is expected to grow on the back of several government initiatives like Pradhan Mantri Awas Yojana, Sardar Patel Urban Housing Mission, Smart Cities Mission by 2022, Pradhan Mantri Gram Sadak Yojana, Urban Infrastructure Development Scheme for Small & Medium Towns, National Heritage City Development and Augmentation Yojana, Bharatmala, Sagarmala and Power for All.

The PMAY factor

In the Union Budget 2019-20, the Housing and Urban Affairs Ministry had a budgetary provision of ₹48,000 crores, a ~12% y-o-y increase over 2018-19. The Pradhan Mantri Awas Yojana (PMAY-Urban) was allotted a lumpsum of ₹6,853.26 crores in the 2019-20 budget compared to ₹6,505 crores in 2018-19. Under this initiative, >81 lakhs houses with an investment entailing ~₹4.83 lakhs crores was sanctioned, of which, the construction for 47 lakhs houses has already initiated.

Management Discussion and Analysis

- The Government of India announced a policy for giving preference to domestically-manufactured iron and steel products for government projects. The policy provides a minimum value addition of 15% in notified steel products, which are covered under preferential procurement
- Further, the Government of India also allowed 100% Foreign Direct Investment (FDI) through the automatic route, a 20% safeguard duty on steel imports and an export duty of 30% on iron ore (lumps and fines)

(Source: Ministry of Steel)

Growth drivers

- **Premiumisation:** It is estimated that by 2019-20, 35% of India's population could be living in urban centres, contributing ~75% of India's GDP. The increasing growth in the urban population is expected to drive the demand for premium products owing to the increasing appeal of premium fittings and houses in the urban locale, which would in turn drive the demand of steel
- **Real estate:** India's residential real estate market saw a 76% y-o-y rise in new launches in 2018 over 2017. Further, the Indian office real estate sector witnessed 13% rise in new completions in 2018 over 2017 backed by increase in office space requirements, office rentals and the increased traction in the idea of shared workspace. Retail shopping malls are projected to expand to 12-15 billion square feet by 2020. Further, 56,912 hotel rooms are expected to be constructed across major cities by 2020-21, thus, ensuring a steady order inflow to help the steel demand grow

RERA driving the real estate space

The Real Estate Regulation Act (RERA) was passed by the Indian parliament in 2016, with the primary aim of protecting the interests of home buyers and boosting investment in the real estate sector. Through RERA, the government aims to create a more equitable and fair transaction between the seller and the buyer, and make real estate purchase simpler by bringing in better accountability and transparency.

This has been driving the real estate space across the country with the help of other government initiatives like PMAY.

- **Engineering and fabrication:** The engineering and fabrication sector accounted for the second-largest share (more than 20%) of total finished steel consumed. This segment involves industries such as capital goods, consumer durables, electrical goods, general engineering and defence equipment, among others. Steel products including HRC and sheets are used in general engineering while galvanised sheets are used in the manufacture of consumer durables. Rapid urbanisation coupled with growing per capita income could catalyse the steel industry's growth, along with rising temperatures, pollution and evolving lifestyles
- **Automotive:** The automotive sector accounted for the third-largest share (around 10%) of the total finished steel consumed in India. Further, the increase in the zero-tax income limit to ₹5,00,000 could strengthen the middle-class, strengthening sales of automotive products, especially two-wheelers and entry-level passenger vehicles, which could fuel growth of the steel industry

(Source: Knight Frank, CARE, SIAM, ICRA)

SWOT analysis

Strengths

- Availability of iron ore and other minerals in abundance
- Low per unit labour cost and the availability of skilled manpower

Weaknesses

- High cost of capital
- Expensive basic inputs such as power
- Poor quality of basic infrastructure
- Inefficient distribution network
- Rising cost of iron ore

Opportunities

- Low per capita consumption
- Unabated growth of the Indian economy
- Growing demand across rural markets
- Governmental thrust on infrastructural development
- Low international market penetration

Threats

- Slow industrial growth
- Technological obsolescence
- Substitution from aluminium and plastics
- Slowdown in demand in peer manufacturing countries, resulting in steel dumping

Risk Management

- **Economic risk:** The year 2018-19 saw a minor slowdown in the economic growth trajectory from 7.2% in 2017-18 to 6.8% in 2018-19. This downturn could have an adverse impact on the steel sector. However, the medium-term and long-term perspectives appear to be positive and Hariom

Pipes intends to leverage the macroeconomic opportunities and the headroom of growth available in the steel sector owing to the low per capita consumption figures

- **Quality risk:** A decline in product quality can affect our brand and revenues. During the year under review, we ensured that our operations are in line with stringent quality norms specified by customers or quality agencies, which is validated by certifications such as ISO 9001:2015 and IS 2830:2012
- **Client concentration risk:** With 90% of our revenues being contributed by the top 10 customers, the concentration of revenue is very uneven across the client list. We are focusing on foraying across newer geographies and brining in new clients, to reduce this dependency on the top clients and ensure improved revenue spread across clients
- **Manpower/Material risk:** Inability to acquire raw materials and manpower at a reasonable cost can act as a deterrent to profitability. We mitigate this risk on the back of our strategic location and integrated plant, ensuring faster turnarounds and the right mix of technology and manpower (skilled labour) interventions
- **Employee risk:** The steel industry is marked by attrition and inability to attract skilled professionals. We grew to a 373 employee organisation in 2018-19 aided by employees having longstanding association with us
- **Competition risk:** With the entry of new players in the market, our market share could be challenged. Our presence is robust in the southern parts of the country, especially in the states of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. We are further working on diversifying our presence across the country to reduce the dependence on certain specific markets

Financial Performance

We clocked a revenue growth of 21.19% y-o-y to ₹133.92 crores in 2018-19. Our EBITDA stood at ₹17.31 crores in 2018-19 compared to ₹15.49 crores in 2017-18, registering a growth of 65.31% y-o-y. Further, we also reported a post-tax profit of ₹8.22 crores in 2018-19 compared to ₹6.48 crores in 2017-18, registering a growth of 29.31% y-o-y.

We also recorded a EBITDA margin growth of 1,293 bps to 12.93% in 2018-19 and deleveraged our books by improving our debt equity ratio from 1.95:1 in 2014-15 to 1.54:1 in 2018-19.

Internal control systems and their adequacy

Our internal control and risk management system is structured and implemented in accordance with the highest standards of corporate governance. The internal control systems form an integral part of the general organisational structure, wherein multiple employees across the organisational hierarchy collectively collaborate to execute their respective responsibilities, under the guidance of the Board of Directors. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

Human Resources

At Hariom Pipes, we believe that people are our biggest assets. We have a diversified talent pool with people from experiences across various sectors. We leverage the different technological experience and domain knowledge of such a diversified talent pool to create the building blocks of a world-class company. Our HR culture is rooted in our ability to subvert age-old norms in a bid to enhance competitiveness. We strive to be a people-centric organisation, and in achieving this, we take decisions aligned with the professional and personal goals of employees. On the back of these initiatives, we have created a diverse workforce.

Cautionary Statement

All statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, references in this document to 'we', 'us' or 'our' refers to Hariom Pipe Industries Limited.

BOARD'S REPORT

TO THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hari Om Concast and Steels Private Limited)

Your Directors have pleasure to present their Annual Report together with the audited accounts for the year ended 31 March, 2019.

Financial Results

Particulars	(Amount in ₹)	
	31-03-2019	31-03-2018
Income from operations	1,33,59,60,678	1,05,08,89,030
Other income	31,95,113	27,80,518
Total	1,33,91,55,791	1,05,36,69,548
Total Expenditure	1,22,08,17,338	95,32,65,429
Profit/(Loss) before Tax	11,83,38,453	10,05,56,718
Profit/(Loss) after Tax	8,21,62,079	6,48,15,187

Operational Review

Your Company has recorded total revenue of ₹1,33,59,60,678 as compared to ₹1,05,08,89,030 in the previous financial year. The Net profits of the Company stood at ₹8,21,62,079 as against a profit of ₹6,48,15,187 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.

Transfers to Reserves

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

Dividend

Your Board recommend a dividend of ₹0.70/- Per Equity Share of ₹10/- each as the Final Dividend for the year 2018-2019. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

Bonus Shares

The Company did not Issue any Bonus shares to its members during the FY 2018-19.

Changes in capital

1. Authorised Capital

The Authorised Share capital of the company was increased from ₹19,00,00,000/- to ₹22,00,00,000/-.

The reason for Increase in the Authorised capital was due to addition of 30,00,000 3% Series A Redeemable Non Cumulative preference Shares of ₹10/- each.

2. Paid Up Capital

The total paid up capital of the Company Increased from ₹14,21,62,920 to ₹19,40,36,580 due to the following allotments.

The Equity Paid up Capital of the Company was increased from ₹10,90,00,920 to ₹13,23,34,300 as the Company has allotted 2333338 Equity Shares of ₹10/- each.

The Company has also Issued 30,00,000 3% Series A Redeemable Non Cumulative preference Shares @ ₹10/- and out of which 2854028 shares were allotted by the Company.

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

1. Statutory Auditors and Statutory 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 29 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.

2. Cost Auditors and Cost Auditors Report

As per the provisions of Section 148 of the Companies Act 2013 read with the Companies (Cost and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditor) Rules, 2014, M/s Sheshadri & Associates, Cost Accountants, (Firm Registration No. 101476) were appointed as Cost Auditors of the Company in the Board meeting held on 9 June, 2018, to conduct audit of Cost records maintained by the Company for Financial year ending 31 March, 2019.

The Auditors report does not have any qualification, reservation or adverse remarks.

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

No Directors or Key Managerial personnel were appointed or resigned during the year.

Director Retiring by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Sunitha Gupta, Director of the Company, being the only director who is liable to retire by rotation and is proposed

to retire at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment at the said Meeting of the Company.

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 9001:2015.

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 reenactment 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 Eight times during the year and 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:

- that in the preparation of the annual accounts for the period ended 31 March, 2019, the applicable accounting standards

have been followed along with proper explanation relating to material departures;

- that the Directors have selected such accounting policies and applied them consistently and made judgments 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;
- 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;
- that the Directors have prepared the accounts for the period ended 31 March, 2019 on a 'Going Concern' basis and
- 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 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.

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 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 victimization 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

The Board is in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made thereunder. A detailed report on the CSR activities taken up by your Company is annexed as Annexure 4 to this report.

Committees of the Board**• Audit Committee**

Your Company has 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.

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

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

• Nomination and Remuneration Committee

Your Company has 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

• Constitution of Stakeholders Relationship Committee

Your Company has 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	Wholetime 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 26 March, 2019 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 31 March 2019 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 31 March, 2019, the company has not received any complaints pertaining to sexual harassment.

Significant and Material Orders passed by the Regulators or Courts

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 Hari Om Concast and Steels Private Limited)

Sd/-

Rupesh Kumar Gupta

Managing Director

(DIN: 00540787)

Date: 31.08.2019

Place: Hyderabad

Sd/-

Sailesh Gupta

Wholetime Director

(DIN: 00540862)

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 favorable price for energy. Also the management of the company have been making continuous efforts to identify the areas of energy conservation for effecting improvements.
- ii) The Company has 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: **NIL**
- 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	2018-19	2017-18
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo (₹ in lakhs)	3,14,086	6,12,293

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

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Date: 31.08.2019
Place: Hyderabad

Annexure - II

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 subsection (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 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)	NA	Lease of premises at a rent of ₹55,000/- Per Month.	Existing Agreement - Not Applicable	NIL
Ms. Parul Gupta	Rent paid (Expenses)	NA	Lease of premises at a monthly rent of ₹35,000/-	Existing Agreement - Not Applicable	NIL
Mr. Sailesh Gupta	Rent paid (Expenses)	NA	Nil	Existing Agreement - Not Applicable	NIL
Mrs. Parul Gupta	Salary	NA	Remuneration Increased to ₹36,00,000 per anum as per provisions of Section 188(1)(f) of the Companies Act, 2013	27.02.2019	Nil
Mrs. Isha Gupta	Salary	NA	Remuneration Increased to ₹36,00,000 per anum as per provisions of Section 188(1)(f) of the Companies Act, 2013	27.02.2019	Nil
Mr. Rakesh Kumar Gupta	Salary	NA	Salary paid ₹24,00,000	Not Applicable	Nil

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

Sd/-
Rupesh Kumar Gupta
Managing Director
(DIN: 00540787)

Sd/-
Sailesh Gupta
Wholetime Director
(DIN: 00540862)

Date: 31.08.2019
Place: Hyderabad

Annexure - III

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2019

[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 Hyderabad-500048
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-500082. 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	22.43%
2	MANUFACTURE OF ALLOY STEEL HOT ROLLED FLAT PRODUCTS [HRStrip]	27162	15.74%
3	MANUFACTURE OF OTHER BASIC IRON AND STEEL M.E.C [of Iron Other Tubes, Pipes and Hollow Profiles]	27190	61.83%

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 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	-	10900092	10900092	100	10900092	2333338	13233430	100	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	10900092	10900092	100	10900092	2333338	13233430	100	-
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	-	10900092	10900092	100	10900092	2333338	13233430	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)	-	10900092	10900092	100	10900092	2333338	13233430	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% 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	Isha Gupta	644000	5.91	-	644000	4.87	-	(1.04)
2	Parul Gupta	905968	8.31	-	905968	6.85	-	(1.46)
3	Rakesh Kumar Gupta [H.U.F.]	420000	3.85	-	420000	3.17	-	(0.68)
4	Rakesh Kumar Gupta	1890000	17.34	-	1890000	14.28	-	(3.06)
5	Rupesh Kumar Gupta [H.U.F.]	98000	0.90	-	98000	0.74	-	(0.16)
6	Rupesh Kumar Gupta	3638292	33.38	-	3638292	27.49	-	(5.89)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% 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	
7	Shailesh Kumar Gupta	2464000	22.61	-	2464000	18.62	-	(3.99)
8	Sunita Gupta	811832	7.45	-	811832	6.13	-	(1.32)
9	Shailesh Kumar Gupta HUF	28000	0.26	-	28000	0.21	-	(0.05)
10	Rupesh Kumar Gupta, Sailesh Gupta, Rakesh Kumar Gupta (Beneficial Owner M/s Ultrapipe partnership firm)	-	-	-	2333338	17.63	-	17.63
	Total	10900092	100	-	13233430	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	01.04.2018	N.A	10900092	100%	10900092	100%
	Changes during the year	26.03.2019	Issue of Equity Shares	1000000	8.40%	11900092	100%
		27.03.2019	Issue of Equity Shares	1333338	10.07%	13233430	100%
	At the end of the year	31.03.2019	N.A	13233430	100%	13233430	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	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
	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	01.04.2018	NA	3638292	33.38		
	At the end of the year	31.03.2019	NA	3638292	27.49	3638292	27.49
2.	Sailesh Gupta						
	At the beginning of the year	31.03.2018	NA	2464000	22.61		
	At the end of the year	31.03.2019	NA	2464000	18.62	2464000	18.62
3.	Sunita Gupta						
	At the beginning of the year	01.04.2018	NA	811832	7.45		
	At the end of the year	31.03.2019	NA	811832	6.13	811832	6.13
4.	Rakesh Kumar Gupta						
	At the beginning of the year	01.04.2018	NA	1890000	17.34		
	At the end of the year	31.03.2019	NA	1890000	14.28	1890000	14.28
5.	Isha Gupta						
	At the beginning of the year	01.04.2018	NA	644000	5.91		
	At the end of the year	31.03.2019	NA	644000	4.87	644000	4.87
6.	Parul Gupta						
	At the beginning of the year	01.04.2018	NA	905968	8.31		
	At the end of the year	31.03.2019	NA	905968	6.85	905968	6.85

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	₹16,65,54,679/-	₹5,50,07,185/-	NIL	₹22,15,61,864/-
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	₹16,65,54,679/-	₹5,50,07,185/-	NIL	₹22,15,61,864/-
Change in Indebtedness during the financial year				
Addition	₹23,45,11,197	₹1,58,00,000/-	NIL	₹25,03,11,197/-
Reduction	NIL	NIL	NIL	NIL
Net Change	₹23,45,11,197	₹1,58,00,000/-	NIL	₹25,03,11,197/-
Indebtedness at the end of the financial year				
i) Principal Amount	₹40,10,65,876/-	₹7,08,07,185/-	NIL	₹47,18,73,061/-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	₹40,10,65,876/-	₹7,08,07,185/-	NIL	₹47,18,73,061/-

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	
1.	Gross salary	1,20,00,000	60,00,000	1,80,00,000
	(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)	1,20,00,000	60,00,000	1,80,00,000

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	75,000	80,000	-	1,55,000
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
	Total (1)	75,000	80,000	-	1,55,000
4.	Other Non-Executive Directors	-	-	72,500	72,500
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	-	-	72,500	72,500
	Total (B) = (1+2)	75,000	80,000	72,500	2,27,500
	Total Managerial Remuneration	75,000	80,000	72,500	2,27,500
	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.	Gross salary	-	₹4,31,760/-	₹6,60,000/-	₹10,91,760/-
	(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	-	₹4,31,760/-	₹6,60,000/-	₹10,91,760/-

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 Hari Om Concast and Steels Private Limited)

Sd/-

Rupesh Kumar Gupta

Managing Director
(DIN: 00540787)

Sd/-

Sailesh Gupta

Wholetime Director
(DIN: 00540862)

Date: 31.08.2019

Place: Hyderabad

Annexure - IV**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

Our Company always believes that Corporate Social Responsibility requires the Company to pursue social goals, especially those relating to sustainable development, environmental protection, social justice and economic development. Corporate Social Responsibilities strengthen the relationship between the Company and the Society. Stakeholders are changing the way they assess Companies' performance, and are making decisions based on criteria that include ethical concerns.

CSR committee

We have a board committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met.

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	Wholetime Director	Member
3.	Mr. Pramod Kumar Kapoor	Chairman and Non-Executive Independent Director	Member

Focus Areas of Engagement

The main focus of the Foundation is more on the three basic needs of the society at large:

- Education ₹3,31,000/-
- Animal Welfare (Cattle Feed) ₹2,58,555/-
- Health Care ₹35,700/-

Average net profit of the Company for last three financial years	₹2,17,70,521
Prescribed CSR Expenditure (2% of the above amount)	₹4,35,410

Details of CSR spent during the financial year

• Total amount spent for the financial year	₹6,25,255
• Amount unspent, if any	Nil
• Manner in which the amount spent during the financial year is detailed below	Annexure A

In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount

Our CSR responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

For and on behalf of the Board

Hariom Pipe Industries Limited

(Formerly Hari Om Concast and Steels Private Limited)

Sd/-

Rupesh Kumar Gupta

Managing Director
(DIN: 00540787)

Sd/-

Sailesh Gupta

Wholetime Director
(DIN: 00540862)

Date: 31.08.2019

Place: Hyderabad

Annexure - A

Sl. No.	CSR Project/ Activity/ beneficiary	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Promoting primary and secondary education in rural and socially/ economically backward communities by way distributing books, curriculum materials, Benches etc.	Education	Hyderabad	₹3,31,000	₹3,31,000	₹3,31,000	Directly contributed to Rajasthan Graduate Association Hyderabad
2	Ensuring Animal Welfare by way of contribution towards Cattle feeds etc.	Animal Welfare	Hyderabad	₹2,58,555	₹2,58,555	₹2,58,555	Directly by the Company
3	Promoting health care including preventive health care	Health care	Hyderabad	₹35,700	₹35,700	₹35,700	Directly by contributing to Thalassemia and sickle cell society

For and on behalf of the Board

Hariom Pipe Industries Limited

(Formerly Hari Om Concast and Steels Private Limited)

Sd/-

Rupesh Kumar Gupta

Managing Director
(DIN: 00540787)

Sd/-

Sailesh Gupta

Wholetime Director
(DIN: 00540862)

Date: 31.08.2019

Place: Hyderabad

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hari Om Concast and Steels Private Limited)

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **HARIOM PIPES INDUSTRIES LIMITED (Formerly Hariom Concast & Steels Pvt. Ltd.)** ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, Its profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to 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 the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements 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 the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts: and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAKESH S JAIN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 010129S

Sd/-
B. RAMESH KUMAR
(PARTNER)
M.No: 200304

Place: Hyderabad
Date: 10.06.2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HARIOM PIPES INDUSTRIES LTD of even date)

HARIOM PIPES INDUSTRIES LTD

1. In respect of the Company's fixed assets:
 - 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. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
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 sec 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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Income tax, sales tax, Goods and Service Tax, 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.
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 section 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. During the year, the Company has made private placement of shares. The requirement of section 42 of the Companies Act, 2013 have been complied with and the amount so raised has been utilised towards the purpose for which it was raised.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
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 Registration No: 010129S

Sd/-
B. RAMESH KUMAR
(PARTNER)
M.No: 200304
Place: Hyderabad
Date: 10.06.2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HARIOM PIPES INDUSTRIES LTD of even date)

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 PIPES INDUSTRIES LIMITED ("the Company")

We have audited the internal financial controls over financial reporting of as of HARIOM PIPES INDUSTRIES LIMITED ("the Company") as of 31 March, 2019 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 Board of Directors of the Company are 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, 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 Registration No: 010129S

Sd/-
Place: Hyderabad
Date: 10.06.2019

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

BALANCE SHEET

as at 31-03-2019

Particulars	Note No.	(Value ₹)	
		As at 31-03-2019	As at 31-03-2018
I) EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	19,40,36,580	14,21,62,920
(b) Reserves and Surplus	2.2	21,47,04,394	8,58,75,554
2. Non-current liabilities			
(a) Long-term borrowings	2.3	29,76,26,141	6,74,35,888
(b) Deferred tax Liabilities (Net)	2.4	1,47,99,750	21,91,089
(c) Long-term provisions	2.5	10,82,130	6,99,769
3. Current liabilities			
(a) Short-term borrowings	2.6	20,33,95,904	15,41,25,977
(b) Trade payables	2.7	4,79,28,735	5,06,62,930
(c) Other Current Liabilities	2.8	5,19,93,802	4,59,91,208
(d) Short-term Provisions	2.9	2,64,86,955	3,48,27,180
Total		1,05,20,54,391	58,39,72,515
II) ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment			
(i) Tangible assets	2.10	42,81,80,382	12,18,07,838
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		-	59,96,402
(b) Long term loans and advances	2.11	1,68,708	1,68,708
(c) Other Non-Current Assets	2.12	15,40,900	13,95,500
2. Current assets			
(a) Inventories	2.13	39,01,19,317	32,11,10,049
(b) Trade receivables	2.14	10,48,57,867	10,31,62,610
(c) Cash and Bank balances	2.15	3,99,95,864	29,89,652
(d) Short-term loans and advances	2.16	7,47,40,611	2,17,19,729
(e) Other current assets	2.17	1,24,50,742	56,22,028
Total		1,05,20,54,391	58,39,72,515
Contingent Liabilities & Commitment	2.27	4,82,249	3,51,249
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

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10.06.2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Sd/-
Sailesh Gupta
Whole-time Director
DIN: 00540862

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Chirag Partani
(Company Secretary
& Compliance Officer)

STATEMENT OF PROFIT AND LOSS

for the period ended 31st March, 2019

Particulars	Note No.	(Value ₹)	
		2018-2019	2017-2018
I) Revenue			
Revenue from operations (Gross)		1,57,64,33,608	1,24,01,10,474
Less: Taxes & Duties		24,04,72,930	18,92,21,444
Revenue from operations (Net)		1,33,59,60,678	1,05,08,89,030
II) Other Income			
		31,95,113	27,80,518
Total Revenue (I+II)	2.18	1,33,91,55,791	1,05,36,69,548
Expenses:			
Cost of materials consumed	2.19	84,09,37,837	60,72,76,363
Purchase Stock-in-Trade	2.20	-	54,11,413
Changes in inventories of work-in-process and finished goods	2.21	5,87,910	(1,38,49,172)
Employee benefits expenses	2.22	5,86,64,201	3,23,37,982
Finance costs	2.23	3,32,52,026	2,87,47,690
Depreciation and amortization expenses	2.10	2,15,42,880	2,57,81,110
Other expenses	2.24	26,58,32,484	26,75,60,044
Total Expenses		1,22,08,17,338	95,32,65,429
Profit/ (Loss) before Exceptional & Extraordinary Item		11,83,38,453	10,04,04,118
Exceptional Items	2.25	-	1,52,599
Profit/(Loss) before tax		11,83,38,453	10,05,56,718
Tax expenses:			
(a) Current tax		2,55,00,517	3,72,36,308
(b) Mat Credit Entitlement		(52,27,382)	-
(b) Income tax for earlier year		32,94,578	3,90,888
(c) Deferred tax		1,26,08,661	(18,85,665)
Total Tax expenses		3,61,76,374	3,57,41,531
Profit/(Loss) for the period		8,21,62,079	6,48,15,187
Earnings per equity share:			
(a) Basic/Adjusted Basic for Last Yr.		7.51	5.93
(b) Diluted/Adjusted Diluted for Last Yr.		7.51	5.93
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

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10.06.2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Sd/-
Sailesh Gupta
Whole-time Director
DIN: 00540862

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Chirag Partani
(Company Secretary
& Compliance Officer)

CASH FLOW STATEMENT

for the period ended 31st March, 2019

Particulars	(Value ₹)	
	31-03-2019	31-03-2018
I) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	11,83,38,453	10,05,56,718
Adjust For		
Depreciation	2,15,42,880	2,57,81,110
Finance Costs	3,32,52,026	2,87,47,690
Operating Profit before Working Capital changes	17,31,33,359	15,50,85,517
Working Capital Changes Adjust For		
Trade & Other Receivables	(6,16,90,253)	(4,49,54,118)
Inventories	(6,90,09,268)	(6,60,96,472)
Trade Payables & Other Current Liabilities	(50,71,827)	7,92,10,967
Working Capital Borrowings	4,92,69,927	(1,92,91,332)
	(8,65,01,420)	(5,11,30,955)
Cash generated from operations	8,66,31,939	10,39,54,562
Taxes Paid	(2,35,67,713)	(3,76,27,196)
Cash Flow before extraordinary items	6,30,64,226	6,63,27,366
Net Cash Flow From Operating Activities - (A)	6,30,64,226	6,63,27,366
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments (Net)	(32,19,19,022)	(3,64,79,558)
Net Cash used in Investing Activities - (B)	(32,19,19,022)	(3,64,79,558)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges	(3,32,52,026)	(2,87,47,690)
Dividend Paid	-	(65,40,055)
Corporate Social Responsibility	-	
Increase/ (Decrease) in securities premium	4,66,66,760	(7,14,43,920)
Issue of share capital	5,18,73,660	7,14,43,920
Share Application	-	
Term Loans	18,52,41,270	(19,81,236)
Other Long-term Liabilities	2,95,31,345	6,99,769
Other Loans	1,58,00,000	64,16,367
Net Cash used in Finance Activities - (C)	29,58,61,009	(3,01,52,844)
Net Increase (Decrease)		
in Cash & Cash Equivalents (A+B+C)	3,70,06,212	(3,05,035)
Opening Balance in Cash and Cash Equivalents (Cash and Bank Balance)	29,89,652	32,94,687
Closing Balance in Cash and Cash Equivalents (Cash and Bank Balance)	3,99,95,864	29,89,652

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

Sd/-
(B. RAMESH KUMAR)
PARTNER
M. No. 200304

Place: Hyderabad
Date: 10.06.2019

On behalf of the Board
HARIOM PIPE INDUSTRIES LIMITED
(Formerly Hariom Concast & Steels (Pvt.) Ltd.)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Sd/-
Amitabha Bhattacharya
(Chief Financial Officer)

Sd/-
Sailesh Gupta
Whole-time Director
DIN: 00540862

Sd/-
Chirag Partani
(Company Secretary
& Compliance Officer)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

1. SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Hariom Pipe Industries Limited (Formerly Hariom Concast & Steels Private Limited incorporated under the provisions of Companies Act, 1956 on 21 June, 2007 with the Registrar of Companies, Hyderabad.) The name of our Company was changed to Hariom Pipe Industries Private Limited vide Special Resolution dated 12 December, 2017. A Certificate of Incorporation consequent to name change was issued on 27 December, 2017. The status of our Company was changed to a public limited company and the name of our Company was changed to Hariom Pipe Industries Limited by a Special Resolution passed on 08 January, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on 17 January, 2018 by the Registrar of Companies, Hyderabad.

Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any explained below.

A. Uses of Estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

B. Property, plant and equipment

a) **Property, plant and equipment:** Property, plant and equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and

acquisition of any Property, plant and equipments is shown as deduction in the year of receipt. Capital work- in progress is stated at cost.

Gains or losses arising from de-recognition of Property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized.

b) **Depreciation:** Depreciation is systematically allocated over the useful life of the asset as specified in Schedule II of Companies Act, 2013.

Depreciation on Property, plant and equipments added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

Freehold land is not depreciated.

C. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is arrived on the basis of weighted average method.

Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spare parts are carried at lower of cost and net realisable value.

D. Revenue recognition

Revenue is recognized on accrual basis and there is no Transaction Involving Sale of Goods not recognized as revenue during the previous year due lack of reasonable certainty of its ultimate collection.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

E. Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Defined contribution plan: Company's contributions due/payable during the year towards provident fund and Employee State Insurance is recognized in the profit and loss account. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at balance sheet date.

F. Taxes on Income

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is virtual certainty that there will be sufficient future taxable income available to realise assets. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

G. Impairment of Asset

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

H. Provisions

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

I. Contingent Liability

Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably.

J. Borrowing Cost

The Assessee has adopted an Accounting Policy to Capitalize Borrowing Cost for Amounts Borrowed for Acquiring Tangible Assets till the Date of Assets put to Use.

K. Amortisation

IPO Expenses are amortised over a period of five years.

L. Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented are been adjusted for events, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares unless impact is anti-dilutive.

M. Business Segment

The company is dealing in one segment i.e. manufacturing of Iron & Steels. Hence figures relate to that segment only.

2. NOTES ON ACCOUNTS

A. Related Party Disclosures:

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year:

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

List of Related Parties

Name	Designation
RupeshKumar Gupta	Director
Sailesh Gupta	Director
Rakesh Kumar Gupta	Director's Relative
Parul Gupta	Director's Relative
Isha Gupta	Director's Relative
Sunita Gupta	Director

B. Directors' Interest

- Reo Solutions (Pvt.) Ltd.
- Ansh Commerce (Pvt.) Ltd.
- Hariom Scaffolding and Form Works
- Ultra Pipe

C. Key Managerial Person:

- Rupesh Kumar Gupta Managing Director
- Sailesh Gupta Whole Time Director
- Amitabha Bhattacharya Chief Financial Officer
- Chirag Partani Company Secretary and Compliance Officer

- Rakesh Kumar Gupta Adviser to Strategy and Finance
- Ashok Kumar Gupta General Manager Production
- V Suvarchala HR Manager
- Ashish Agarwal Marketing Head

D. During the year following transactions was carried out with related parties in ordinary course of Business

S No.	Particulars	2018-19	2017-18
1.	Managerial Remuneration	1,20,00,000	57,60,000
2.	Directors Sitting Fees	2,27,500	1,05,000
3.	Salary		
	a) Parul Gupta	25,35,000	7,20,000
	b) Isha Gupta	25,35,000	7,20,000
	c) Rakesh Kumar Gupta	24,00,000	7,20,000
4.	Rent Paid		
	a) Rupesh Kumar Gupta	6,60,000	6,60,000
	b) Parul Gupta	4,20,000	4,20,000
	c) Sailesh Gupta	1,00,000	-

SL. No.	Particulars	Balance as on 31 March 2018	Accepted During the Year	Repaid During the Year	Balance as on 31 March 2019
1.	Loan				
	a) Ansh Commerce (Pvt.) Ltd.	4,23,40,000	2,91,10,000	2,91,10,000	4,23,40,000
	b) Reo Solutions (Pvt.) Ltd.	7,00,000	-	-	7,00,000
	c) Rupesh Kumar Gupta	12,48,525	1,32,00,000	12,50,000	1,31,98,525
	d) Sailesh Gupta	16,90,670	51,00,000	12,50,000	55,40,670
	e) Sunita Gupta	90,27,990	-	-	90,27,990

E. The breakup of net deferred tax liability as on 31 March 2019 is as under:

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-2018	Current Year Charges (Credit)	Deferred Tax Asset/ (Liability) as at 31-03-2019
Deferred Tax Liabilities			
Difference between book and tax depreciation/ unabsorbed loss	(21,91,089)	(1,28,48,060)	(1,50,39,149)
Total	(21,91,089)	(1,28,48,060)	(1,40,55,279)
Deferred Tax Assets			
Difference between book and tax for Others	-	2,39,399	2,39,399
Net Amount	(21,91,089)	(1,26,08,661)	(1,47,99,750)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

F. EPS calculation for the FY 2018-2019

Particular	FY 18-19	FY 17-18
The computation of EPS is set out below:		
Earnings:		
Net Profit for the period	8,21,62,079	6,48,15,187
Shares:		
No of Shares at the beginning of the period	10900092	10900092
Add: Shares Issued during the period	2333338	2333338
Total No of Equity Shares outstanding at the end of the period	13233430	13233430
Weighted average No of Equity Shares Outstanding during the period	10934795	10934795
Earning Per Share of par value ₹10/- Basic/ Diluted(₹)	7.51	5.93

G. Employee Benefit:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Defined contribution plan: Company's contributions due/payable during the year towards provident fund and Employee State Insurance is recognized in the profit and loss account. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at balance sheet date.

Assets/Liabilities	31.03.19	31.03.18
Present Value of obligation	20,68,567	12,08,039
Fair Value of Plan Assets	0	0
Net asset/(liability) in B/S	(20,68,567)	(12,08,039)
Expense Details		
Current Service Cost	4,13,713	2,41,608
Total Employer expense	8,60,529	(3,07,183)
Summary of Membership Data		
Number of employees	42	74
Total Monthly salary	20,08,687	11,03,217
Av. past service (years)	2	3
Av. Age at valuation date	36	37

Assets/Liabilities	31.03.19	31.03.18
Assumptions:		
Discount Rate	7.63%	7.89%
Rate of inc. in Comp. Levels	4.00%	4.00%
Return on Plan Assets (Actuals)	N.A.	N.A.
Average. Fut. service (yrs)	24	23
Changes in PV of Obligations:		
PV Obligation as at the start:	12,08,039	15,15,222
Acquisition adjustment -	0	0
Interest Cost	95,314	1,06,066
Past Service Cost -	0	0
Current Service Cost	4,13,713	2,41,608
Curtailment Cost / (Credit)	0	0
Settlement Cost / (Credit)	0	0
Benefits paid	0	0
Actuarial (gain)/ loss on oblig.	3,51,501	(6,54,856)
PV of Obligation as at the end:	20,68,568	12,08,039
Changes in the FV of Plan Assets		
FV of Plan Assets at the start:	0	0
Acquisition Adjustments	0	0
Exp. Return on Plan Assets	0	0
Contributions (net)	0	0
Benefits Paid	0	0
Actuarial Gain / (loss) on Assets	0	0
FV of Plan Assets at the end:	0	0
Fair Value of Plan Assets		
FV of plan assets at the start:	0	0
Acquisition Adjustments	0	0
Actual return on plan assets	0	0
Contributions	0	0
Benefits Paid	0	0
FV of Plan Assets at the end:	0	0
PV of Obligation as at the end:	20,68,567	12,08,039
Funded Status	(20,68,567)	(12,08,039)
Assets/Liabilities	31.03.19	31.03.18
ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain/(loss) - Oblig.	(3,51,501)	6,54,856
Actuarial gain/(loss) – Assets	0	0
Total gain / (loss) for the period	(3,51,501)	6,54,856
Actuarial gain / (loss) recognized	(3,51,501)	6,54,856
Unrecog. actuarial gains / (loss):	0	0

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Assets/Liabilities	31.03.19	31.03.18
AMOUNTS RECOG. IN B/S		
PV of Obligation as at the end:	20,68,567	12,08,039
FV of Plan Assets as at the end:	0	0
Funded Status	(20,68,567)	(12,08,039)
Unrecog. Actuarial (gains) / losses	0	0
Net Asset / (Liab.) Recog. in B/S	(20,68,567)	(12,08,039)
EXPENSE RECOG. IN P AND L A/C		
Current Service Cost	4,13,713	2,41,608
Past Service Cost	0	0
Interest Cost	95,314	1,06,066
Expected Return on Plan Assets	0	0

Amount spent during the year on CSR Activity:

Sl. No.	CSR Activities	In Cash / Bank	Yet to be Paid in Cash	Total
1	RGA Swarna Jayanti Shiksha Nyaas	3,31,000	-	3,31,000
2	Thalassemia And Sickle Cell Society	35,700	-	35,700
3	Cattle Feeds	2,58,555	-	2,58,555

- J.** Balances with Trade Receivables, Trade Payables and loan and advances are subject to confirmation / Reconciliation.
- K.** In accordance with AS28 on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that might have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31 March 2019.
- L.** Board of Directors have proposed dividend @ 3% which is subject to approval by Share Holders in AGM
- M.** Previous year figures have been regrouped/ rearranged wherever considered necessary.
- N.** The notes referred to in Balance Sheet and the notes forming part of Statement of Profit and Loss account are 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

Sd/-

(B. RAMESH KUMAR)

PARTNER

M. No. 200304

Place: Hyderabad

Date: 10-06-2019

On behalf of the Board

HARIOM PIPE INDUSTRIES LIMITED

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

Sd/-

Rupesh Kumar Gupta

Managing Director

DIN 00540787

Sd/-

Amitabha Bhattacharya

(Chief Financial Officer)

Sd/-

Sailesh Gupta

Whole-time Director

DIN 00540862

Sd/-

Chirag Partani

(Company Secretary & Compliance Officer)

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Note 2.1 Share Capital

	(Value ₹)	
	As at March 31st, 2019	As at March 31st, 2018
Authorised Capital		
1,56,83,800 Equity Shares of ₹10/- each (Previous year 1,56,83,800 shares of ₹10 each)	15,68,38,000	15,68,38,000
30,00,000 3% Series A Redeemable Non Cumulative Preference Shares @ ₹10/- each. (Previous Year Nil)	3,00,00,000	-
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- (Previous Year 33,16,200 0 % Series A Redeemable Non Cumulative Preference Shares of ₹10/-)	3,31,62,000	3,31,62,000
Total	22,00,00,000	19,00,00,000
Issued Capital		
14400092 Equity Shares of ₹10/- each (1,09,00,092 Equity Shares of ₹10/- each)	14,40,00,920	10,90,00,920
30,00,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.	3,00,00,000	-
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each (Previous year 33,16,200 Shares of ₹10/-)	3,31,62,000	3,31,62,000
Total	20,71,62,920	14,21,62,920
Subscribed & Paid Up Capital		
1,32,33,430 Equity Shares of ₹10/- each (1,09,00,092 Equity Shares of ₹10/- each)	13,23,34,300	10,90,00,920
28,54,028 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.	2,85,40,280	-
33,16,200 0% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each (Previous year 33,16,200 Shares of ₹10/-)	3,31,62,000	3,31,62,000
Total	19,40,36,580	14,21,62,920

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

	(Value ₹)			
Particulars	No. of Shares	Value	No. of Shares	Value
Issued, Subscribed & Paid Up Capital				
Equity Shares				
At the beginning of the period	10900092	10,90,00,920	1668100	1,66,81,000
Issued during the period	2333338	2,33,33,380	-	-
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	13233430	13,23,34,300	10900092	109000920
3% Series A Redeemable Non Cumulative Preference Shares				
At the beginning of the period	-	-	208760	2,08,76,000
Issued/(Converted) during the period	2854028	28540280	(2,08,760)	(2,08,76,000)
At the closing of the period	28,54,028	2,85,40,280	-	-
0% Series A Redeemable Non Cumulative Preference Shares				
At the beginning of the period	3316200	3,31,62,000	3316200	3,31,62,000
Issued during the period	-	-	-	-
At the closing of the period	3316200	3,31,62,000	3316200	33162000

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

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

	(Value ₹)			
Name of the Shareholder	%	No. of shares	%	No. of shares
Rupesh Kumar Gupta	27.49%	36,38,292	33.38%	36,38,292
Sailesh Gupta	18.62%	24,64,000	22.61%	24,64,000
Rupesh Kr./Shailesh Kr./Rakesh Kr.	17.63%	23,33,338	-	-
Rakesh Kumar Gupta	14.28%	18,90,000	17.34%	18,90,000
Parul Gupta	6.85%	9,05,968	8.31%	9,05,968
Sunita Gupta	6.13%	8,11,832	7.45%	8,11,832
Isha Gupta	4.87%	6,44,000	5.91%	6,44,000

Note 2.2 Reserves and Surplus

	(Value ₹)	
	As at March 31st, 2019	As at March 31st, 2018
A. Securities Premium Reserve		
At the beginning of the period	19,29,080	7,33,73,000
Add: During the period	4,66,66,760	1,80,92,550
Less: Bonus Issue	-	(8,95,36,470)
At the closing of the period	4,85,95,840	19,29,080
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	8,39,46,474	2,56,71,343
Add: Profit for the period	8,21,62,079	6,48,15,187
Less: Corporate Social Responsibility	-	-
Less: Dividend Declared (inclusive of DDT)	-	65,40,055
Net Surplus in the Statement of Profit and Loss	16,61,08,554	8,39,46,474
Total (A+B+C)	21,47,04,394	8,58,75,554

Note 2.3 Long-term Borrowings

	(Value ₹)	
	As at March 31st, 2019	As at March 31st, 2018
A. Secured Loans		
I. Term Loan From Canara Bank	18,92,38,324	-
(Term Loan Refer Note a)		
II. Term Loan From Canara Bank	41,90,000	71,30,000
(Term Loan Refer Note b)		
III. Vehicle Loan		
Vehicle Loan From HDFC Bank (Refer Note c)	-	1,17,290
Vehicle Loan From Kotak Mahindra Prime Ltd. (Refer Note d)	36,21,593	43,77,466
Vehicle Loan From Canara Bank (Refer Note e)	6,20,055	8,03,946
Sub Total	19,76,69,972	1,24,28,702

- 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 two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Jun'2019 till Mar' 2024.

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

- 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 two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb' 2017 till Oct' 2021.
- c) Loan taken from HDFC Bank is repayable in monthly installments till Jul'2019
- d) Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan'2023
- e) Loan taken from Canara Bank is repayable in monthly installments till Jan'2023

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
B. Unsecured Loans		
Unsecured Loans from Directors	2,77,67,185	1,19,67,185
Inter Corporate Deposit	4,30,40,000	4,30,40,000
Sub Total	7,08,07,185	5,50,07,185
C. Other Long-Term Liabilities		
Dues to Supplier	2,91,48,984	-
Sub Total	2,91,48,984	-
Total (A+B+C)	29,76,26,141	6,74,35,888

Note 2.4 Deferred Tax Liability (Net)

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Opening balance	21,91,089	40,76,754
Deferred tax for the year	1,26,08,661	(18,85,665)
Closing balance	1,47,99,750	21,91,089

Note 2.5 Long-term Provisions

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Provision for Gratuity	10,82,130	6,99,769
Total	10,82,130	6,99,769

Note 2.6 Short-term Borrowings

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
a) Working capital borrowings from Canara Bank (2.6 a)	14,94,36,015	14,49,59,553
b) Term loan from Canara Bank (Refer note 2.6 b)	5,00,00,000	-
c) Term loan from Canara Bank (Refer note 2.6 c)	29,40,000	29,40,000
d) HDFC Bank Car Loan (2.6 d)	1,17,290	3,30,475
e) Kotak Mahindra Prime (2.6 e)	7,17,886	9,45,865
f) Canara Bank Car Loan (2.6 f)	1,84,713	1,68,834
g) Term loan from Canara Bank installments due less than 12 months (Refer note 2.6 g)	-	47,81,250
	20,33,95,904	15,41,25,977

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

- a) (The above loan is secured by way of charge and stock, receivables and hypothecation of assets, apart from the personal guarantees of the Directors & their family members.)
- 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 two Directors of the Company & their Family Members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Jun' 2019 till Mar' 2024.
- c) 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 two Directors of the Company and their family members. Loan taken from Canara Bank MCB Branch is repayable in monthly installments starting from Feb' 2017 till Oct' 2021.
- d) Loan taken from HDFC Bank is repayable in monthly installments till Jul' 2019
- e) Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan' 2023
- f) Loan taken from Canara Bank is repayable in monthly installments till Jan' 2023
- g) 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 installments starting from Feb' 2017 till Oct' 2021.

Note 2.7 Trade Payables

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
Trade payables	4,79,28,735	5,06,62,930
Net (increase)/decrease in inventories	4,79,28,735	5,06,62,930

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 31-03-2019	As at 31-03-2018
Other Liabilities	4,23,58,467	3,94,51,153
Dividend Payable (inclusive of DDT)	-	65,40,055
Payable to Capital Goods Supplier	96,35,335	-
Total	5,19,93,802	4,59,91,208

Note 2.9 Short-term provisions

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
a) Provision for taxation	2,55,00,517	3,43,18,911
b) Provision for Gratuity	9,86,438	5,08,269
Total	2,64,86,955	3,48,27,180

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

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

Sl No	Description	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		As on 01-04-2018	As on 31-03-2019	During the Year	Total	As on 31-03-2018	As on 31-03-2019
1	Land	2,23,980	-	-	2,23,980	-	2,23,980
2	Building @ 10%	2,20,20,683	-	5,46,93,168	7,67,13,851	49,36,726	7,17,77,125
3	Plant & Machinery @ 15%	8,81,88,309	12,39,448	25,62,11,207	34,56,38,964	3,26,30,005	28,71,39,949
4	Plant & Machinery @ 40%	38,35,663	1,36,293	1,50,41,029	1,90,12,985	45,96,988	1,44,15,997
5	Furniture @ 10%	-	-	5,94,279	5,94,279	29,714	5,64,565
Total		11,42,68,634	13,75,741	32,65,39,683	44,21,84,059	4,21,93,433	37,41,21,616

Note 2.10 Property, Plant and Equipment (PPE)

Sl No	Description	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		As on 31-03-2018	As on 31-03-2019	During the Year	Total	As on 31-03-2018	As on 31-03-2019
1	Land	2,23,980	2,23,980	-	-	2,23,980	2,23,980
2	Building	4,64,70,796	10,11,63,964	22,84,299	2,37,15,064	2,59,99,363	7,51,64,601
3	Plant & Machinery	7,95,34,630	10,27,79,180	38,11,848	5,31,78,468	5,69,90,316	4,57,88,864
4	Pollution Equipments	27,83,692	96,66,422	1,79,263	16,84,430	18,63,693	78,02,729
5	Tools Components, Spare parts & Structural Steel	11,46,25,786	26,17,73,276	7,05,39,209	7,05,39,209	7,73,81,738	18,43,91,538
6	Electrical Equipment	6,31,00,593	14,72,77,278	4,83,48,271	4,83,48,271	5,24,21,581	9,48,55,697
7	Air Conditioner	3,52,249	3,52,249	1,40,018	1,40,018	1,69,567	1,82,682
8	Motor Vehicle	1,44,91,803	1,60,05,443	74,29,893	74,29,893	23,71,595	62,03,955
9	Office Equipments	3,69,032	13,62,323	2,72,997	2,72,997	4,19,972	9,42,351
10	Rolls	1,41,31,655	2,20,98,314	90,44,934	90,44,934	1,06,65,490	1,14,32,824
11	Computer	4,25,958	7,53,891	3,49,052	3,49,052	4,83,303	2,70,588
12	Furniture	-	5,94,279	21,704	21,704	21,704	5,72,575
13	Solar Panel	-	3,75,000	27,001	27,001	27,001	3,47,999
Total		33,65,10,173	66,44,25,598	2,15,42,880	21,47,02,336	23,62,45,216	42,81,80,382

Work in Progress

Sl No	Description	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		As on 31-03-2017	As on 31-03-2018	During the Year	Total	As on 31-03-2017	As on 31-03-2018
30,66,80,634	3,05,17,557	6,88,018	33,65,10,173	18,95,74,843	6,53,617	2,57,81,110	21,47,02,335.71
	5996402						12,18,07,838
Total							11,71,05,792

Work in Progress

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Note 2.11 Long term loans and advances

	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Deposit with Govt. Authorities	1,26,708	1,26,708
Rent deposit	42,000	42,000
Total	1,68,708	1,68,708

Note 2.12 Other Non Current Assets

	As at 31-03-2019	As at 31-03-2018
IPO Expenses	15,40,900	13,95,500
Total	15,40,900	13,95,500

Note 2.13 Inventories

	As at 31-03-2019	As at 31-03-2018
Raw material	11,24,62,185	7,72,92,684
Finished Goods	9,58,39,482	9,64,27,392
Stores & Consumables	18,18,17,650	14,73,89,973
Total	39,01,19,317	32,11,10,049

Note 2.14 Trade Receivables

	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good		
Outstanding for a period exceeding six months	86,11,534	72,22,604
Others	9,62,46,333	9,59,40,006
Total	10,48,57,867	10,31,62,610

Note 2.15 Cash and Bank Balance

	As at 31-03-2019	As at 31-03-2018
Cash on Hand	1,34,847	9,43,334
Balance with Bank		
On Current Accounts	3,96,63,716	15,80,018
Term Deposit Accounts	1,97,300	4,66,300
Note : Term Deposits are held as Margin for BG		
Total	3,99,95,864	29,89,652

NOTES

annexed to and forming part of the Balance Sheet as at 31-03-2019

Note 2.16 Short-term loans and advances

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
(Unsecured and considered good)		
Advance Income tax	1,30,00,000	68,00,000
Advance to suppliers	26,55,836	48,32,474
GST Receivable	1,81,02,176	-
Advance to Employees	6,07,040	-
Deposit with APCPDCL (Additional Consumption Deposits)	1,20,75,895	56,45,528
Advance to Capital Goods Suppliers	2,82,99,664	44,41,727
Total	7,47,40,611	2,17,19,729

Note 2.17 Other current assets

	(Value ₹)	
	As at 31-03-2019	As at 31-03-2018
I.T.Refund Receivable	31,87,886	31,87,886
Insurance Claim Receivable	15,64,289	7,23,579
M.A.T. Entitlement	52,27,382	-
Other Receivable	17,600	2,77,761
Prepaid Exp.	8,22,622	9,71,531
Excise Duty Paid Under Protest	7,125	-
Interest Accrued On Deposit	14,117	-
Sales Tax Receivable	84,732	84,732
TDS Receivable	2,87,743	2,77,724
Gratuity Fund Deposit into LIC	12,08,038	-
T.C.S. Receivable	29,207	98,815
Total	1,24,50,742	56,22,028

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2019

Note 2.18 Revenue from Operation

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Sales		
Sales of Manufacturing goods	1,57,64,33,608	1,22,73,34,840
Sales Raw Materials	-	62,18,419
Sales Trading	-	65,57,215
Gross Sales & Services	1,57,64,33,608	1,24,01,10,474
Less: Taxes & Duties	24,04,72,930	18,92,21,444
Net Sales	1,33,59,60,678	1,05,08,89,030
(B) Other Income		
Commission Received	-	-
Exchange Fluctuation	4,082	2,467
Interest Received	31,91,031	27,78,051
Net Other Operating Income	31,95,113	27,80,518
Total Revenue from Operation (A+B)	1,33,91,55,791	1,05,36,69,548

Note 2.19 Cost of materials consumed

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Raw Materials Consumed		
Opening Stock of Raw Material	7,72,92,684	7,96,50,196
Add: Purchase	84,27,92,043	59,60,79,038
	92,00,84,727	67,57,29,234
Less: Closing stock of Raw Material	11,24,62,185	7,72,92,684
(A) Raw Material Consumed	80,76,22,542	59,84,36,550
(B) Consumable Consumed		
Opening Stock of Consumable	14,73,89,973	9,27,85,161
Add: Purchase	6,77,42,972	6,34,44,625
	21,51,32,945	15,62,29,786
Less: Closing stock of Consumable	18,18,17,650	14,73,89,973
(B) Consumable Consumed	3,33,15,295	88,39,813
Total Cost of materials Consumed (A+B)	84,09,37,837	60,72,76,363

Note 2.20 Other Purchases

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
A) Sales		
Purchase Trading	-	54,11,413
Total Stock-in-Trade	-	54,11,413

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2019

Note 2.21 Changes in inventories of work-in-process & finished goods

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Opening Stocks		
Finished goods	9,64,27,392	8,25,78,220
Total - A	9,64,27,392	8,25,78,220
(B) Closing stocks		
Finished goods	9,58,39,482	9,64,27,392
Total - B	9,58,39,482	9,64,27,392
	587910	(13849172)

Note 2.22 Employee benefit expenses

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Employees remuneration and benefits	3,31,30,162	2,21,82,486
Contribution to PF/ESI	6,95,810	4,76,657
Gratuity Exp	8,60,530	12,08,038
Remuneration to Managerial personnel	1,96,97,500	80,25,000
Staff welfare expenses	42,80,199	4,45,801
Total Employee Benefit Expenses	5,86,64,201	3,23,37,982

Note 2.23 Finance Costs

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Interest on Term Loans	19,50,119	24,54,539
Interest on Vehicle Loan	4,87,738	1,44,668
Interest on Working Capital	1,76,51,617	1,84,72,248
Other Financial Charges	10,33,788	8,41,501
LC Commission	1,21,28,764	68,34,734
Total Finance Cost	3,32,52,026	2,87,47,690

Note 2.24 Other expenses

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Power & fuel	25,18,60,588	25,99,10,807
Job Work Charges	-	-
Repairs & Maintenance :		
Plant & Machinery	16,11,992	5,74,195
Building		
Vehicles	3,45,668	2,17,776
Other Assets	71,251	95,300
Other selling & Distribution expenses	42,18,632	11,04,407
Travelling & Conveyance	9,73,830	6,91,162
Insurance	9,06,455	9,08,624
Rent	11,80,000	11,04,800
Rates & Taxes (Excluding Taxes on Income)	11,11,306	19,64,326

NOTES

to and forming part of the Statement of Profit and Loss Account for the period ended on 31-03-2019

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Remuneration to auditors :		
Audit Fee	1,08,000	1,00,000
Tax Audit Fee	32,000	30,000
Certification Fee /Taxation matter	60,000	57,000
Communication Expenses	3,01,628	3,90,070
Professional consultancy	24,25,879	4,11,577
Corporate Social Responsibility	6,25,255	-
Total Other Expenses	26,58,32,484	26,75,60,044

Note 2.25 Exceptional Items

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
Profit on Sale of Assets	-	1,52,599
Total	-	1,52,599

Note 2.26 Tax expenses

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
(A) Current Tax	2,02,73,135	3,43,18,911
Current tax expenses	52,27,382	29,17,397
Mat Entitlement Paid/Utilised		
(A) Current tax	2,55,00,517	3,72,36,308
(B) Deferred Tax	1,26,08,661	(18,85,665)

Note 2.27 Contingent liabilities & Commitments (to the extent not provided for)

	(Value ₹)	
	For the Period Ended 31-03-2019	For the Period Ended 31-03-2018
1) Contingent Liabilities :		
a) Claims against the Company not acknowledged as debts	351249	351249
b) Guarantees	131000	-
Note : The company does not force any liability arising out of the above mentioned liabilities. Therefore the company is not making any provision for the same.		
Total	4,82,249	3,51,249

NOTICE

NOTICE is hereby given that the **12th Annual General Meeting** of the Members of **Hariom Pipe Industries Limited (Formerly Hari Om Concast and Steels Private Limited)** will be held on Monday, the 30th day of September, 2019, at 04.00 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-500048, Telangana to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31 March, 2019 along with the Report of the Directors and the Auditors there on 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 31 March, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

- To declare dividend of ₹0.70/- per Equity Share of ₹10/- each to the shareholders for the Financial Year 2018-19 and in this regard pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT a Dividend at the rate of ₹0.70/- (Seventy 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 31 March, 2019 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 31 March, 2019.

- 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:

- To ratify the remuneration of Cost Auditors for the financial year ending 31 March, 2020 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 2019-20 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 31 March, 2020, 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 Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 31.08.2019

Notes:

- 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.
- 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.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than Ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
- Attendance slip, proxy form are Annexed to the Report.
- In terms of provisions of Section 152 of the Companies Act, 2013, Smt Sunita Gupta, Director, retire by rotation at the meeting. 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.
- 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 7 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 29 September, 2017.

- 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.

- 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 ₹55000/- (Fifty Five Thousand Only) for the Financial year ending 31 March, 2020.

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 31 March, 2020 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 Hari Om Concast and Steels Private Limited)

Sd/-
Rupesh Kumar Gupta
Managing Director
DIN: 00540787

Place: Hyderabad
Date: 31.08.2019

Annexure to the Notice dated 31 August, 2019 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	She has more than 3 years of experience in steel industry. As a Non Executive Director she is responsible for providing her expertise for growth and expansion of the Company.
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, Membership held in other companies as on date	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-500048, Telangana.
website – www.hariompipes.com Email - 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 HARI OM CONCAST AND STEELS PRIVATE LIMITED)	
Registered office	SAMARPAN, 3-4-174/12/2, 1ST FLOOR, LANE BESIDE SPENCER'S PILLAR NO. 125, ATTAPUR, HYDERABAD-500048, 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, 30 September, 2019 at 4.00 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 31 March, 2019 along with the Report of the Directors and the Auditors thereon.		
2.	To declare dividend of ₹0.70/- per Equity Share of ₹10/- each to the shareholders for the Financial Year 2018-19.		
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 31 March, 2020.		

Signed this day of 2019.

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.

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



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

