

# RETURN ON EFFICIENCY

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# RETURN ON EFFICIENCY

Since inception, efficiency and excellence have been our second nature. Ingrained into our processes across the value chain, they have given us a significant edge in the market. In 2019-20, our sustained commitment to efficiency and excellence powered our endeavour to future-proof our operations, bolster our environmental and social focus and make our governance more robust.

## Efficiency reflected through performance



### Financial

20.36%

Increase in revenue on a y-o-y basis

1.76%

Increase in PAT on a y-o-y basis



### Operational

14.41%

Increase in capacity utilisation on a y-o-y basis

49.47%

Increase in production on a y-o-y basis



### Environment

2.56%

Reduction in carbon footprint on a y-o-y basis

2.13%

Reduction in energy consumption on a y-o-y basis



### Social

48+ hrs

Average man-hours of training provided to every employee

38%

Proportion of distributors associated with us for five years or more



### Governance

5

Board members

8

Leadership team

## Company overview

# GROWING AND LEARNING ALONG THE WAY

The legacy of Hariom Pipe Industries Limited (HPIL) can be traced back to 2007, when we initiated our journey as part of the prestigious Hariom Group. Since then, we have grown consistently, securing our position in South India as a premium manufacturer of iron and steel products, catering to diverse industrial needs across multiple sectors.

We offer customers a diversified portfolio of more than 100 products across five product categories, namely, mild steel pipes and tubes, scaffolding systems, hot rolled skelps and coils, mild steel billets and roofing sheets. Our quality management systems are validated with ISO 9001:2015 and IS 2830:2012 certifications, ensuring service to our customers with best-in-class products.



### 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.



TOTAL CAPACITY

# 2,43,600 MTPA\*



DISTRIBUTION NETWORK SIZE

# 1,388



TOUCHPOINTS ACROSS  
SOUTHERN & WESTERN MARKETS

# 1,500

\* MTPA: metric tonnes per annum

## Our presence

Our primary markets in the country are Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. We have been consistently focusing on deepening our footprint in the South Indian markets. To strengthen our distribution network in the region, we have added to our pool of distributors in markets where our presence so far had not been robust.

**TS** Telangana

DEALERS

# 697

DISTRICTS

# 23

**AP** Andhra Pradesh

DEALERS

# 274

DISTRICTS

# 12

**KA** Karnataka

DEALERS

# 323

DISTRICTS

# 24

**TN** Tamil Nadu

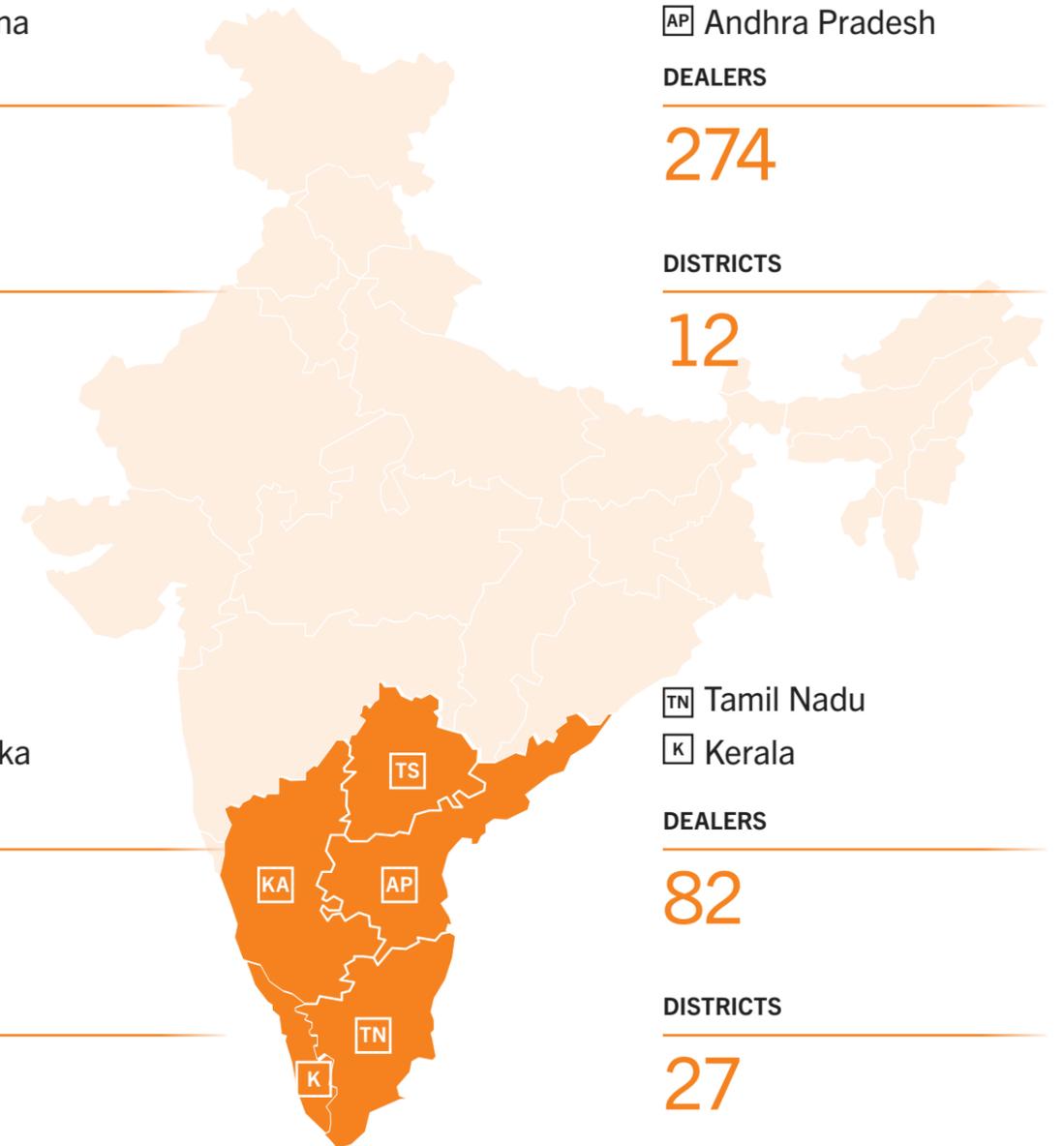
**K** Kerala

DEALERS

# 82

DISTRICTS

# 27



## Company overview Contd..

### Our business universe

#### Product suite



**Mild steel (MS) pipes and tubes**

**Square hollow section**

Superior quality pipes with high tensile strength are available in various sizes from 20x20 mm to 100x100 mm in length and 2 mm to 4 mm in thickness.

**Rectangular hollow section**

A range of durable rectangular pipes available in various sizes from 40x20 mm to 122x61 mm and 2 mm to 4 mm in thickness.

**Circular hollow section**

Corrosion-resistant round steel pipes, which can be customised as per customer requirements. The standard pipes are available in various sizes from 15 mm to 110 mm and 2 mm to 4.5 mm in thickness.

**Pre-galvanised steel pipes**

Durable pre-galvanised steel pipes, which are customised as per customer requirements. The standard pipes are available in various sizes from 12.5 mm and 203.2 mm in outer diameter, 0.8 mm to 3 mm in thickness and 5.5 metres to 6 metres in length.



**Scaffolding systems**

We manufacture temporary work platforms which find downstream application at construction sites aiding in construction activities above the ground level. These products are generally customised as per customer requirements.



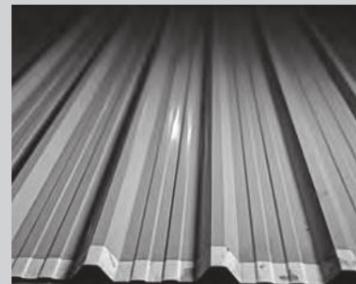
**Hot rolled (HR) skelps/coils**

We manufacture best-in-class durable HR skelps and coils of varied shapes and sizes.



**Mild steel (MS) billets**

We service our customers with an array of quality billets with various customisation options, ranging from dimensions to specific requirements.



**Roofing sheets**

We produce durable and corrosion-resistant roofing sheets with a range of geometric designs, which can be customised as per customer requirements.

#### Downstream industries



**REAL ESTATE**



**INFRASTRUCTURE**



**TEXTILE**



**CHEMICAL**

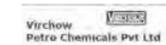


**AGRICULTURE AND IRRIGATION**



**MOTORCYCLE AND BICYCLE**

#### Client base



## Message from the Managing Director

# RISING TO THE CHALLENGE



In the year under review, we focused on backward integration through the acquisition of a sponge iron unit, which is utilised in the manufacture of billets, and which, in turn, facilitates the manufacture of pipes. The backward integration gave us an appreciable cost benefit and better control on the entire value-chain. This will help us ensure quality at every stage, given the assurance of improved quality levels and a quicker turnaround owing to the reduction in the time spent on sourcing materials.

**Rupesh Kumar Gupta**  
Managing Director



TOTAL REVENUE

₹ 161.19 crs



EBITDA MARGIN

14.86%

Dear Stakeowners,

I am delighted to present to you our Annual Report for the year 2019-20. In our 13<sup>th</sup> report, we saw remarkable growth this fiscal despite the headwinds.

The financial year 2019-20 was marked by several challenges. The escalating trade war between the United States and China posed several challenges for the Indian steel industry as the country started anticipating steel dumping by China. The last few days of the fiscal saw unprecedented turmoil, with the onset of the Coronavirus pandemic that triggered a worldwide lockdown. In India, the lockdown saw the manufacturing sector coming to a standstill and resulted in a drastic economic slowdown in the fourth quarter. Together, these factors resulted in sectoral and economic headwinds.

#### An upbeat performance

Despite the circumstances, our revenues stood at ₹161.19 crores in 2019-20 compared to ₹133.92 crores in 2018-19, registering a y-o-y growth of 20.36%. HPIL's Profit After Tax for the fiscal stood at ₹8.36 crores compared to ₹8.22 crores in 2018-19, registering a y-o-y growth of 1.76%. Further, our EBITDA margin for the fiscal under review stood at 14.86%, recording a y-o-y growth of 193 bps over 2018-19.

In the previous fiscal, we undertook a massive expansion across our product verticals, which was funded by a term loan. In 2019-20, we took the advice of bankers and conserved cash by foregoing the disbursement of dividends.

#### Ensuring greater efficiency

In the year under review, we focused on backward integration through the acquisition of a sponge iron unit, which is utilised in the manufacture of that facilitates the manufacture of pipes. The backward integration gave us an appreciable cost benefit and better control on the entire value-chain. This will help us ensure quality at every stage, given the assurance of improved quality levels and a quicker turnaround owing to the reduction in the time spent on sourcing materials. We also embarked on various debottlenecking initiatives in the year to improve our capacity utilisation, reduce manufacturing costs and decrease plant turnaround time, all of which will ensure the sustainability of our business in the foreseeable future. On the back of these efficiencies, we successfully reduced our power consumption quantum in 2019-20 by 2.13% y-o-y.

#### Future focus

Given the government's incremental focus on 'Make in India' and the policy boost received by the domestic steel industry, the industry is expected to gain traction in the near future. In this

favourable environment, our ability to cater to various needs of our customers and the steady scale-up across our product verticals have helped us firmly position ourselves as a premium steel product manufacturer.

On behalf of the Board of Directors, I thank our customers, employees, channel partners and communities for their continued trust and support. I assure our stakeholders that the following days will see us grow apace in South India, increasing our operational efficiency, ensuring product quality, enhancing customer-centricity and nurturing a culture of excellence.

Regards,

**Rupesh Kumar Gupta**  
Managing Director

## Response to COVID-19

# ADJUSTING TO THE NEW NORMAL

In the midst of the uncertainty spelled by the outbreak of the pandemic in the last quarter of 2019-20, we, at Hariom Pipes, recalibrated our strategies and came out stronger, securing the health and safety of our employees and supply chain partners while ensuring business continuity.

Like most other countries in the world, India saw the spread of the Coronavirus at a rapid pace from March 2020. To contain the spread of the virus, most countries across the world went into voluntary lockdowns. India announced a lockdown on 22 March, 2020, which had a cascading effect on the supply chain and disrupted business functions. Production also came to a standstill owing to plant shutdowns in the last few days of the fiscal.

At Hariom Pipes, we not only focused on the health and safety of our employees and the supply chain partners but also ensured business continuity.

### Health and safety

In keeping with government guidelines, we enforced several safety parameters:

- Safe distance of six feet maintained between employees in both the corporate office and plants
- Factories and offices sanitised on regular intervals
- Thermal checks done at the factory gate and the corporate office
- Health and hygiene awareness training for employees and the channel partners

As a result of our sustained focus on health and safety, our fatality rate due to COVID-19 stood at zero.



### Business continuity

We resumed work in our manufacturing units from May. In order to sustain business operations, we undertook the following measures:

- During the lock down we have helped our factory employees with advance salaries and basic necessities, ensuring employee well-being
- Retained channel partners and ensured that we handheld our suppliers and dealers to sail through the difficult time
- Undertook several process strengthening initiatives during the lockdown
- Provided food to the migrant labourers which earned us their loyalty

As a result of the measures taken to keep employees motivated and strengthen our processes, we were able to resume production, and in no time, we reached production quantum of pre-COVID level.

## Driving efficiency

# RIGHT STEPS IN THE RIGHT DIRECTION

Our focus this year has been on increasing our operational efficiency and making us more cost-competitive. Steps taken towards the backward integration of our manufacturing process have ensured lower costs and a higher bottom line.



### Cost and quality control

We endeavoured to integrate our business processes, as a result of which we have managed to ensure a 100% utilisation of the self produced billets in the production of pipes. In the year under review, we also acquired a sponge iron unit, which provides the raw material used in the production of billets. We have thus managed a complete backward integration of our manufacturing process. This has not only improved control on costs but also the quality of the finished products.



### Sizing it right

In the financial year, we increased the size of our coil strips, saving time and effort needed to cut them to customisable strips and reducing the volume of scrap resulting from the process. Lesser scrap translated into less wastage, which boosts our sustainability mission.



### Future-ready

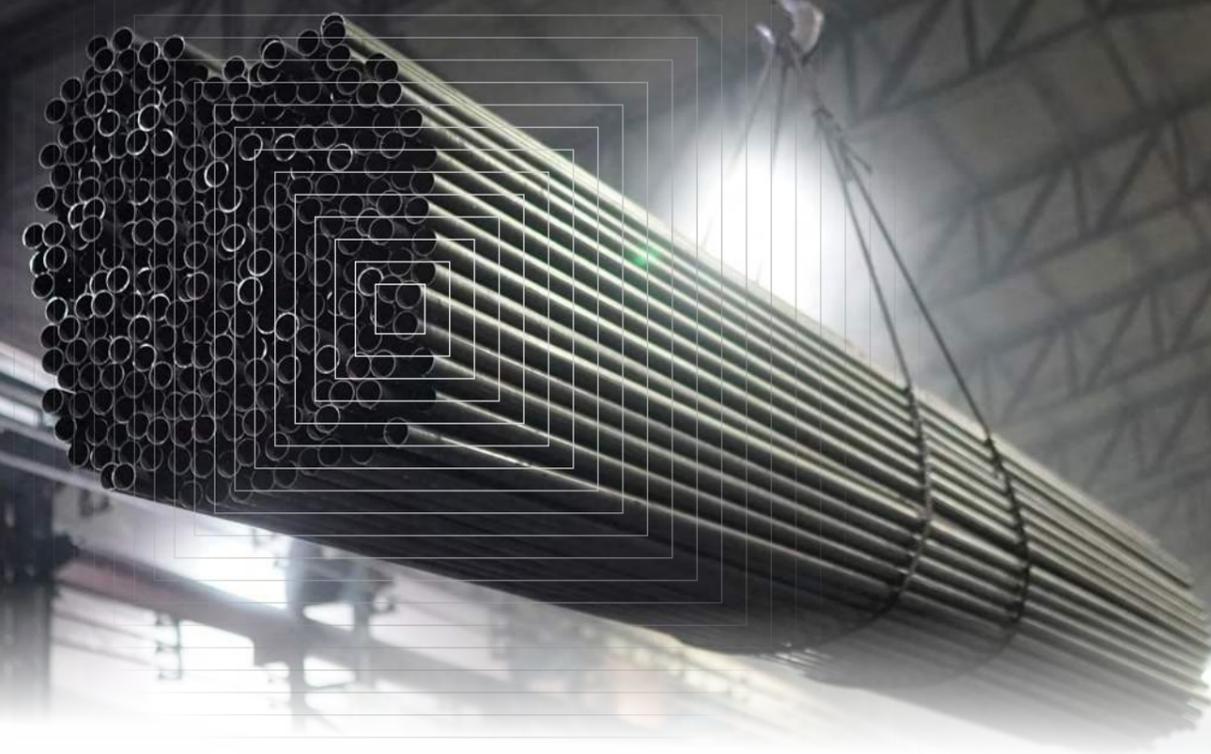
During the year, we strengthened process automation in our rolling mills and pipe manufacturing plant, reducing manual intervention. This gives us greater control on quality and time management.



### Return on brand recall

Positioned as a premium manufacturer of steel and iron products, we focused extensively on advertisements on the various platforms, and T-shirt and accessory (diary, calendar, books) branding. We also organised brand campaigns for specific geographies to gain greater recall value and strengthen our presence in specific markets.

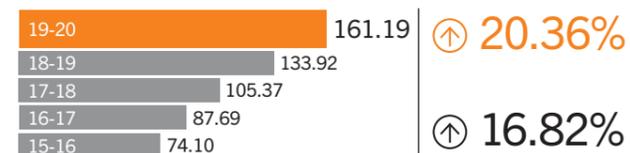
## Key performance indicators

PERFORMING WITH CONSISTENCY  
AND INTEGRITY

## Profit and loss indicators

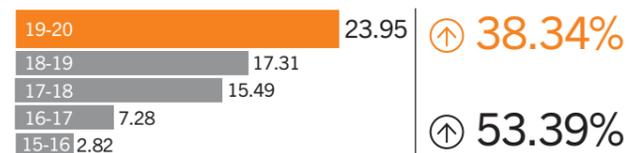
## Revenue

(₹ in crore)



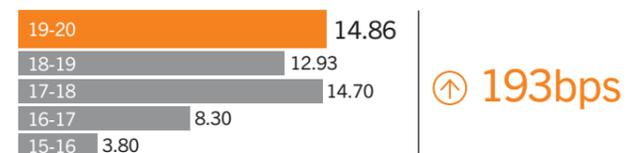
## EBITDA

(₹ in crore)



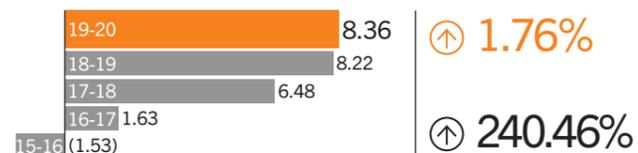
## EBITDA margin

(%)



## PAT

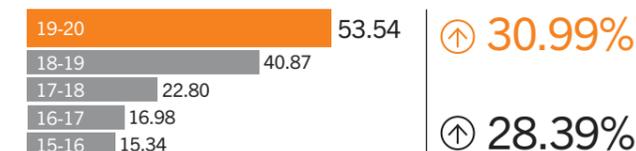
(₹ in crore)



## Balance Sheet indicators

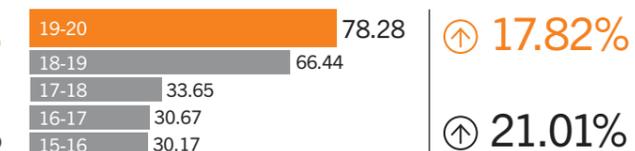
## Net worth

(₹ in crore)



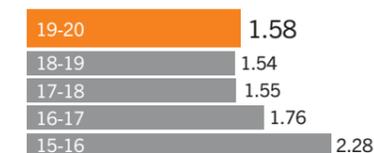
## Gross block

(₹ in crore)



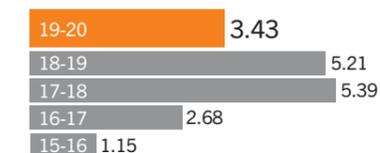
## Debt-equity ratio

(X)



## Interest coverage ratio

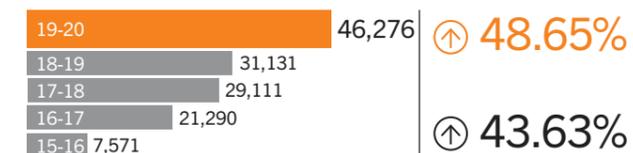
(X)



## Operational indicators

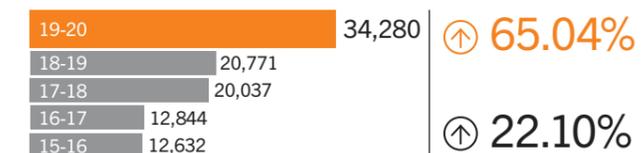
## Induction furnace production

(Metric tonnes)



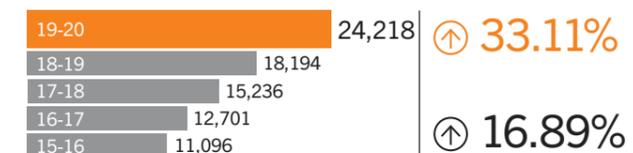
## Rolling mill production

(Metric tonnes)



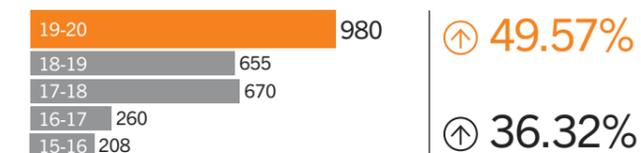
## Pipe mill production

(Metric tonnes)



## Scaffolding production

(Metric tonnes)



## ESG priorities - Environment

# THOUGHTFULLY USING NATURAL RESOURCES

Being a responsible manufacturer, we constantly strive to minimise our environmental footprint through optimum utilisation of resources such as fuel, electricity, water, and raw materials.

We ensure that our operations are environment-friendly. We have been undertaking specific measures to reduce emissions, improve biodiversity and manage water efficiently.



## Water management

This year saw us install a Reverse Osmosis (RO) plant. This plant is equipped with the latest cutting-edge technology to treat and purify waste water from the plant. This treated water is for captive consumption. We have also installed a water harvesting process around our factory premises, reducing our consumption of freshwater

# 1.5%

Reduction in freshwater consumption in 2019-20

## Emissions

During the year under review, we have installed two pollution control equipment, ensuring the reduction of almost 90% of the smoke generated from manufacturing. These equipment also help in filtering dust and collect the particles arising from the manufacturing process, the carbon content of which is then used to manufacture printer cartridge, thus, ensuring zero carbon emission into the atmosphere. We have also installed water sprinklers in our plant to reduce the soil dust arising due to the movement of trucks in and out of the factory.

# 90%

Reduction in smoke generated from manufacturing in 2019-20



## Biodiversity

Telangana Haritha Haram scheme is a large-scale tree-planting programme implemented by the Telangana government. The state government has spent ₹4,572.94 crores since 2015 and has successfully planted 203 crores saplings across the state till date.

At Hariom Pipes, we have been consistently undertaking initiatives such as planting trees and increasing the green cover in areas surrounding the factory under the flagship programme.

# 250

Number of saplings planted by Hariom Pipes in 2019-20



## ESG priorities - Social

# FORGING A DEEP SOCIAL CONNECT

Our long-term, mutually beneficial relationship with key stakeholders such as our employees, customers, suppliers and communities helps establish us as a socially responsible organisation.

We focus on the consistent improvement in employee productivity through various employee engagement initiatives and training programmes. A diverse product offering, consistent quality, customisation options and timely deliveries have earned us the loyalty of our customers and established us as a preferred premium steel product manufacturer in a substantially expansive region in the country. Our community commitment, demonstrated through our sustained efforts in the realms of healthcare and animal welfare, has enhanced our social relevance and given us wider acceptability as a responsible brand.

## 36%

Proportion of repeat clients in 2019-20

### Enhancing customer-centricity

Since inception, our focus has been to create a customer-centric brand, which offers a superior product experience to our clientele. Our customer commitment is reflected through:

- On-time delivery
- Prompt response on product concerns
- Consistency in product performance
- Benchmarking products to global standards
- Enduring relationships with customers

### Objective

Understanding customer requirements and handholding them wherever required.

### Initiatives

- We have planned to commercialise a new rolling mill for manufacturing grills by 2021, helping us emerge as a one-stop shop for building solutions
- Maintained lasting relationships with our customers, dealers and distributors by organising dealer and distributor meets

### Achievements

- We roped in new clients in the year under review



### One-stop shop

We have planned an upgradation of our existing rolling mill to section rolling mill in the next fiscal, producing an array of products such as square rods, flat rods, segments and channels, among others. This would aid us in expanding our product portfolio and help us cater to all the customer requirements under one roof, thus helping Hariom Pipes emerge as a one-stop shop for building solutions. We believe that our initiative would aid the Government of India's incremental focus on Atmanirbhar Bharat. We hope to offer a unique value proposition to our customers by saving their time and reducing their logistics costs.

## ESG priorities - Social



### Nurturing a culture of excellence

People-centricity is one of the biggest focus areas at Hariom Pipes. We believe in equipping our employees with the relevant skills and abilities. During the year under review, we organised training programmes to enhance the technical and interpersonal skills of our employees, thus helping them grow their business and leadership skills, customer orientation, and values.

#### Objective

Creating a work culture which aligns employees' personal goals with the organisation's goals.

#### Initiatives

- We focused on creating a diverse workforce by recruiting talents from different sectors
- We focused on rigorous training sessions on both skill development and safety fronts
- We ensured lower attrition rates by handholding our employees and training them, motivating them and creating a positive and enabling work culture
- We focused on health, safety and environment training for our employees, ensuring zero fatalities from both accidents and COVID-19

#### Achievements

- Our team size have grown by 20% on an annual basis
- Proportion of women in the workforce at the corporate office stood at a healthy ~15% in the year under review
- The proportion of women in the senior management stood at 20%

## 48+

Average hours spent on training

## 20%

Annual increase in employee strength

### Promoting community commitment

As a member of society with certain social obligations, our corporate social responsibility (CSR) journey focuses on empowering communities around us. Being a prominent industry player, we understand our responsibility to contribute to the betterment of society, with special focus on children's health and education.

We have framed our CSR policy in line with the provisions of the Companies Act, 2013 to work towards the betterment of weaker sections of society.

Not only for the underprivileged, we have extended our efforts to ensure animal welfare to aid in the holistic development of the community.

#### Objective

We believe that CSR bridges the disconnect between business and the community, adding impetus to value creation for a large section of our stakeholders.

#### Initiatives

- Ensuring animal welfare by contributing towards cattle feed in Hyderabad
- Contributing towards the improvement of the health infrastructure and the PM Cares Fund during the COVID-19 pandemic

#### Achievements

- Contributed ₹6,25,470 towards animal welfare in 2019-20
- Contributed ₹5,65,080 towards health initiatives and fighting the pandemic

## ₹11,90,550

Amount spent on CSR, 2019-20



## ESG priorities - Governance

# ENRICHED BY A RESPONSIBLE LEADERSHIP

AT Hariom Pipes, we strive to achieve the highest standards of governance backed by our values, our efforts at promoting ethical business and our targeted policies. Our idea of good governance is to promote transparency, accountability, awareness and equity in all aspects of our operations.

Our robust governance framework is centred around an effective Board of Directors and Board committees. The senior management reports to the Board of Directors on a periodic basis. The Board maintains an oversight over functions and ensures the seamless operation of business.

Our compliance with statutory norms is ensured by the Audit Committee. We have also embarked on a digital journey with the adoption of process automation in certain functions.

### Board of Directors

We have five Board members, including two Independent Directors. Our Board brings to the table diverse skills and expertise in the fields of sales and marketing, business management, leadership and governance, legal and regulatory matters, finance, accounts and risk management, and relevant technologies. The Board meets every quarter to review the organisation's quarterly performance.



**Pramod Kumar Kapoor**  
Chairman and Independent Director  
M C M M



**Rupesh Kumar Gupta**  
Managing Director  
C M



**Sailesh Gupta**  
Whole-time Director  
M



**Sunita Gupta**  
Non-Executive Director  
C M



**Santosh Kumar Rathi**  
Independent Director  
C M M

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee

### 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 review

The sluggishness from the previous fiscal was carried forward and the Indian economy recorded a GDP growth of 4.2% in 2019-20, compared to 6.1% in 2018-19. Retail inflation climbed to a six-year high of 7.59% during the fiscal before settling at 5.84% in March 2020. The nominal per capita net national income was estimated at ₹134,226 in 2019-20 compared to ₹126,521 in 2018-19, registering a y-o-y growth of 6.1%.

The Indian rupee (₹) depreciated by as much as 9.34% by the last day of 2019-20 and stood at ₹75.60 against the US dollar, compared to ₹69.14 in the last day of 2018-19. In the year under review, the Indian currency swung between ₹69.16 and ₹76.39 against the US dollar during 2019-20.

In FY 2019-20, India emerged as the fifth-largest economy in the world and jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. However, the outbreak of COVID-19 and the subsequent lockdown in the country moderated demand and disrupted global trade in the last few days of the year. The prolonged impact of social distancing, leading to supply and demand shocks, is expected to be felt during the next fiscal as well. The outbreak of the pandemic also brought the manufacturing sector to a standstill, caused supply chain disruptions, hurting domestic production in sectors such as pharmaceuticals, automotive, chemicals and power, among others, owing to their dependence on imported materials.

### Growth of India's GDP in FY 2019-20



(Source: CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB, MoSPI)

### Key government initiatives

- **National Infrastructure Pipeline (NIP):** To achieve a GDP of US\$ 5 trillion by 2025, the Government of India announced the NIP policy with an investment plan of ₹102 trillion over the

next five years. This policy is expected to aid the government in creating jobs for people transitioning from farming.

- **Corporate tax relief:** With the cost of capital and corporate income tax (CIT) higher than its overseas competitors, India found it difficult to keep up with its competitors. To address the problem, the government reduced corporate tax rate from 30% to 22%. The government also added impetus to the 'Make in India' initiative by announcing a new tax rate of 15% for new domestic manufacturing companies. The new effective CIT stands at 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

### Indian steel industry overview

India is the second steel producer in the world with a production of 108.5 million tonnes in 2019. It is also the largest producer of sponge iron in the world. The country's steel sector employs 5,00,000+ people directly and 2.5 million people indirectly, contributing more than 2% towards India's GDP.

India's per capita steel consumption stood at 74 kgs in 2019-20, recording a record growth from a per capita steel consumption of 46 kgs in 2007-08. However, compared to the global average of 224.5 kg, the figure is still low, which shows ample headroom for the growth of the steel sector in the country, against the backdrop of enabling factors such as increasing urbanisation, per capita incomes and number of nuclear families.

Over the past few years, the construction sector across the country has gained traction, in turn, driving the growth of the steel industry. This, coupled with the government's initiatives such as the Smart Cities Mission, Pradhan Mantri Awas Yojana's drive of Housing for All and promotion of affordable housing is expected to further drive up demand steel in the foreseeable future. Furthermore, the 'Make in India' initiative also focuses on transforming India into a global manufacturing hub, which is again expected to contribute to the growth of the domestic steel industry.

(Source: Ministry of Steel, IBEF, CARE)

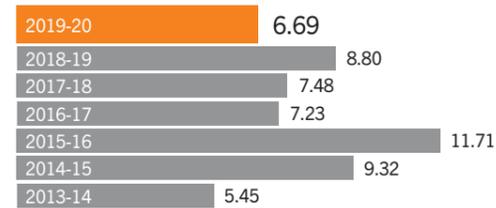
### Total crude steel production

| (in million tonnes) |        |
|---------------------|--------|
| 2019-20             | 108.50 |
| 2018-19             | 106.50 |
| 2017-18             | 102.34 |
| 2016-17             | 97.95  |
| 2015-16             | 89.79  |
| 2014-15             | 88.98  |
| 2013-14             | 81.69  |

(Source: IBEF)

**Import of total finished steel**

(in million tonnes)



(Source: Ministry of Steel, www.argusmedia.com)

**Government impetus**

- **National Steel Policy:** The government has envisioned the National Steel Policy, which is expected to facilitate the faster growth and development of the domestic steel industry and ramp up steel production in the country to 300 million tonnes by 2030-31. This policy will enable government support across four key areas to promote greenfield expansion across the country. These include the availability of unencumbered land, supply of iron ore at competitive market rates, time-bound granting of clearances and facilitation of logistics linkages.
- **Pradhan Mantri Awas Yojana (PMAY):** The government aims to build 1 crore houses by 2022, of which ~104 lakh houses have already been sanctioned and more than 32 lakh houses have been completed. This government initiative is going to drive the demand for steel and steel products in the foreseeable future.
- **Scrap recycling policy:** This policy initiated by the government aims to reduce imports, conserve resources and save energy, and thereby enable processing and recycling of products in an organised and safe manner. For India to produce 300 MT of steel by 2030-31, efficient use of scrap plays a crucial role, with 35-40% of the capacity expansion expected to be scrap-based steel.
- **Smart Cities Mission:** The government undertook this initiative in 2015, and since then, 5,151 projects worth more than ₹2 lakh crore are under implementation across 100 cities. Of this, 4,154 projects worth ₹1.49 lakh crore (72% of the total proposals) have been tendered. As many as 1,290 projects worth ₹22,569 crores have been completed and are operational. The government also announced the addition of five more smart cities in the Union Budget 2020-21, which is expected to further drive the steel sector in the near future.

(Source: Ministry of Steel, Care Ratings)

**Growth enablers**

- **Real estate:** Real estate generates ~35% of the demand for steel in India. The sector is projected to grow from US\$ 1.72 billion in 2019 to US\$ 9.30 billion by 2040, and attracted investments worth US\$ 6.5 billion in 2020, 5% higher than 2019, thus, driving the demand for steel.
- **Increasing urbanisation:** Urbanisation is one of the primary contributors to the growth of the real estate and infrastructure sectors in India. The rate of urbanisation in India stood at 34.03% in 2018 and is projected to increase to 39% by 2030, generating demand in the real estate sector, which, in turn, would drive the demand of steel in the country.

**Export of total finished steel**

(in million tonnes)



(Source: Ministry of Steel, IBEF)

- **Infrastructure:** This sector accounts for ~20% of India's steel demand. In 2019-20, India saw a record flow of foreign direct investment (FDI) to the tune of ₹49.98 billion into the infrastructure space, which, coupled with the Union Budget's allocation of ₹100 lakh crore is expected to drive growth of infrastructure, which, again would generate greater demand for steel.

(Source: IBEF, Department for Promotion of Industry and Internal Trade)

**Union Budget 2020-21**

- An allocation of ₹50,039.90 crores was made for the Housing and Urban Affairs Ministry in the Union Budget 2020-21, a significant increase of 18.39% over the previous sum of ₹42,266.72 crores in 2019-20
- An allocation of ₹27,500 crores was made for the Pradhan Mantri Awas Yojana, registering an increase of ~8.5% over the previous year's allocation of ₹25,328 crores
- An allocation of ₹13,750 crores was made for the Smart Cities Mission and AMRUT in the Union Budget 2020-2021, a significant increase of ~40% over the allocation of ₹9,842 crore in 2019-2020

**Risk management**

- **Quality risk:** Our positioning in the market as a premium steel product manufacturer has been enabled by our capability to offer world-class product quality to our consumers. To sustain the superior quality of our products, we have streamlined our operations and initiated a backward integration of sponge iron for the production of billets, thus ensuring more control on quality.
- **Customer risk:** A major chunk of our revenue is generated by our biggest customers. We have been diversifying our product portfolio in order to cater to the needs of a diverse set of customers and expand our client base, thus ensuring

an even spread of revenue across our clientele. A diversified product range results in better profit margins, which ensues from a better product mix, in turn, increasing profitability.

- **Material risk:** Increase in the prices of raw materials can have an adverse impact on a company's profitability. At HPIL, we achieved backward integration of our manufacturing process during the year that has secured the supply of sponge iron, which is used for the manufacture of billets, which is again used to manufacture pipes. Achieving sustainability and security in raw material supply allows us to have a greater control on our processes and quality.
- **Compliance risk:** The steel industry is subject to changing policies and regulations that can impact the Company's profitability. Being positioned as a premium steel product manufacturer, we strive to stay ahead of the curve when it comes to regulatory compliance. Validated by international quality management certifications, our products are compliant with stringent quality norms.
- **Competition risk:** New players entering the industry would affect a company's market share. At HPIL, we have consistently

fortified our presence in Southern India, especially in states like Telangana, Andhra Pradesh, Karnataka and Tamil Nadu by strengthening our distribution network and emerging as a one-stop shop for building solution by catering to the diverse industrial and individual needs of our customers.

**Financial performance**

- Revenue during the year stood at ₹161.19 crores compared to ₹133.92 crores in 2018-19, registering a growth of 20.36% y-o-y
- EBITDA stood at ₹23.95 crores in 2019-20 compared to ₹17.31 crores in 2018-19, showing a y-o-y growth of 38.34%
- PAT for the year stood at ₹8.36 crores vis-à-vis ₹8.22 crores in 2018-19, at a y-o-y growth of 1.76%
- Debt-equity ratio was moderated from 2.28x in 2015-16 to 1.58x in 2019-20

**Robust internal control systems**

Our internal audit system is continuously monitored and updated to safeguard our assets and ensure compliance in a dynamic regulatory environment. The Audit Committee is tasked with the responsibility of regularly reviewing the reports presented by the internal auditors. The committee also makes note of the audit observations and undertakes corrective actions.

**Cautionary statement**

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectations may constitute certain statements which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and in the countries with which the Company conducts business and other incidental factors.

**The pandemic impact**

The last quarter of FY 2019-20 saw the outbreak of the COVID-19 pandemic across the globe, which resulted in a worldwide lockdown. The nationwide lockdown in India disrupted the supply chain and labour supply, and brought manufacturing to a standstill. At HPIL, we navigated the situation with resolute determination and focus on health and safety of our employees and channel partners allowed us to resume operations in a swift and steady manner after the lockdown ended.

## 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, 2020.

### Financial Results

| Particulars              | (Value ₹)      |                |
|--------------------------|----------------|----------------|
|                          | 31-03-2020     | 31-03-2019     |
| Income from operations   | 1,60,77,69,364 | 1,33,59,60,678 |
| Other income             | 41,00,183      | 31,95,113      |
| Total                    | 1,61,18,69,547 | 1,33,91,55,791 |
| Total Expenditure        | 1,49,39,13,280 | 1,22,08,17,338 |
| Profit/(Loss) before Tax | 11,79,56,267   | 11,83,38,453   |
| Total Tax Expenses       | 3,43,08,084    | 3,61,76,374    |
| Profit/(Loss) after Tax  | 8,36,48,183    | 8,21,62,079    |

### Operational Review

Your Company has recorded total revenue of ₹1,61,18,69,547 as compared to ₹1,33,91,55,791 in the previous financial year. The Net profits of the Company has grown and stood at ₹8,36,48,183 as against a profit of ₹8,21,62,079 in the Previous Financial Year.

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

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

### Dividend

Your Board does not recommend any dividend for the FY 2019-20.

### Bonus Shares

The Company did not Issue any Bonus shares to its members during the FY 2019-20.

### Changes in Capital

#### 1. Authorised Capital:

The Authorised Share capital of the company was Increased from ₹22,00,00,000/- to ₹28,00,00,000/-

The reason for Increase in the Authorised capital was due to addition of 60,00,000 (Sixty Lakhs Only) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each.

#### 2. Paid Up Capital:

The total paid up capital of the Company Increased from ₹19,40,36,580 to ₹24,49,96,300 due to the following allotments.

The Company has also Issued 60,00,000 (Sixty Lakhs Only) 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each and out of which 50,00,000 (Fifty Lakhs Only) shares were allotted by the Company.

The Company during the year has redeemed 2906455 3% Series A Redeemable Non-Cumulative preference shares of ₹10/- each.

The Company during the year Issued and allotted 29,50,000 3% Series A Redeemable Non-Cumulative preference shares of ₹10/- each.

There was No Change in the Equity Share Capital of the Company during the year.

### Material Changes and commitments:

During the FY 19-20 the Company has acquired land admeasuring Ac 9.31 at Sy. No. 98, D. Hirehal village & Panchayat, Rayadurgam sub division, Ananthapur revenue division from M/s. S S P Sponge Iron Pvt. Ltd.

The Company has also acquired Vacant site admeasuring Ac. 10.00 located at Sy. No. 98, D. Hirehal village & Panchayat, Rayadurgam sub division, Ananthapur, revenue division in the name of Mr. Siva Prasanth.

During the FY 2020-21 the Company has acquired Plant & Machinery, Factory Building (Sponge unit) form S S P Sponge Iron Pvt. Ltd. located at Sy. No. 98, D. Hirehal village & Panchayat, Rayadurgam. The production of Sponge Iron has also been started at the plant.

Except the above No other 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 31 August, 2019, to conduct audit of Cost records maintained by the Company for Financial year ending 31 March, 2020.

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.

### 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 11 (Eleven) 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, 2020, 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, 2020 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.

### Transfers to reserves

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

### Vigil Mechanism/ Whistle Blower Policy

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

The 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.

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

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

#### • Nomination and Remuneration Committee

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 03 March, 2020 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 2020 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, 2020, 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: 14.12.2020  
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 have been making continuous efforts to identify the areas of energy conservation for effecting improvements.
- ii) The Company have been procuring energy from Indian Energy Exchange (IEX) as an alternative for procuring energy as and when required.
- iii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

**B. Technology Absorption:**

- i) the efforts made towards technology absorption: **NIL**
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **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                         | 2019-20   | 2018-19  |
|-------------------------------------|-----------|----------|
| Foreign Exchange Earnings           | Nil       | Nil      |
| Foreign Exchange Outgo (₹ in Lakhs) | 12,74,554 | 3,14,086 |

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: 14.12.2020  
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   | Lease of premises at a rent of ₹50,000/- Per Month  | 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: 14.12.2020  
Place: Hyderabad

## Annexure - III

## Form No. MGT – 9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2020

[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.<br>Flat No. 306, Right wing, 3rd Floor Amrutha Ville Appts,<br>Opp: Yashoda Hospitals, Somajiguda, Rajbhavan Road,<br>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                             | 17.61%                             |
| 2       | MANUFACTURE OF ALLOY STEEL HOTE ROLLED FLAT PRODUCTS [HRStrip]                                   | 27162                             | 24.61%                             |
| 3       | MANUFACTURE OF OTHER BASIC IRON AND STEEL M.E.C [of Iron Other Tubes, Pipes AND Hollow Profiles] | 27190                             | 57.78%                             |

## 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<br>(as on 01-04-2019) |          |                 |                   | No. of Shares held at the end of the year<br>(as on 31-03-2020) |          |                 |                   | % Change during the year |
|--------------------------|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|                          | Demat   | Physical | Total           | % of Total Shares | Demat   | Physical | Total           | % of Total Shares |                          |
| <b>A. Promoter</b>       |   |          |                 |                   |   |          |                 |                   |                          |
| <b>(1) Indian</b>        |   |          |                 |                   |   |          |                 |                   |                          |
| a) Individual / HUIF     | 13233430  | -        | 13233430        | 100               | 13233430  | -        | 13233430        | 100               | -                        |
| b) Central Govt          | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| c) State Govt (s)        | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| d) Bodies Corp           | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| e) Banks / FI's          | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| f) Any Other             | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>Sub Total (A) (1)</b> | <b>13233430</b>   | <b>-</b> | <b>13233430</b> | <b>100</b>        | <b>13233430</b>   | <b>-</b> | <b>13233430</b> | <b>100</b>        | <b>-</b>                 |
| <b>(2) Foreign</b>       |   |          |                 |                   |   |          |                 |                   |                          |
| a) NRI – Individuals     | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| b) Other – Individuals   | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| c) Bodies Corporate      | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| d) Banks / FI            | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>(as on 01-04-2019) |          |                 |                   | No. of Shares held at the end of the year<br>(as on 31-03-2020) |          |                 |                   | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical | Total           | % of Total Shares | Demat   | Physical | Total           | % of Total Shares |                          |
| e) Any Other   | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>Sub Total (A) (2)</b>   | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Total Shareholding of Promoter (A)=(A)(1) + (A)(2)</b>                      | <b>13233430</b>   | <b>-</b> | <b>13233430</b> | <b>100</b>        | <b>13233430</b>   | <b>-</b> | <b>13233430</b> | <b>100</b>        | <b>-</b>                 |
| <b>B. Public Shareholding</b>  |   |          |                 |                   |   |          |                 |                   |                          |
| <b>1. Institutions</b>   |   |          |                 |                   |   |          |                 |                   |                          |
| 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  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>Sub Total (B) (1)</b>   | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>2. Non Institutions</b>   |   |          |                 |                   |   |          |                 |                   |                          |
| 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  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>Sub Total (B) (2)</b>   | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| Total Public Shareholding (B) = (B) (1) + (B) (2)                              | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>C. Shares Held by Custodian for GDRS &amp; ADRS</b>                         |   |          |                 |                   |   |          |                 |                   |                          |
| <b>Grand Total (A+B+C)</b>   | <b>13233430</b>   | <b>-</b> | <b>13233430</b> | <b>100</b>        | <b>13233430</b>   | <b>-</b> | <b>13233430</b> | <b>100</b>        | <b>-</b>                 |

## (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name          | Shareholding at the beginning of the year<br>(as on 01-04-2019) |                                  |  | Share holding at the end of the year<br>(as on 31-03-2020) |                                  |  | % 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  | 4.87                             | -  | 644000   | 4.87                             | -  | -  |
| 2       | Parul Gupta                 | 905968  | 6.85                             | -  | 905968   | 6.85                             | -  | -  |
| 3       | Rakesh Kumar Gupta [H.U.F.] | 420000  | 3.17                             | -  | 420000   | 3.17                             | -  | -  |
| 4       | Rakesh Kumar Gupta          | 1890000   | 14.28                            | -  | 1890000  | 14.28                            | -  | -  |
| 5       | Rupesh Kumar Gupta [H.U.F.] | 98000   | 0.74                             | -  | 98000  | 0.74                             | -  | -  |
| 6       | Rupesh Kumar Gupta          | 3638292   | 27.49                            | -  | 3638292  | 27.49                            | -  | -  |
| 7       | Shailesh Kumar Gupta        | 2464000   | 18.62                            | -  | 2464000  | 18.62                            | -  | -  |
| 8       | Sunita Gupta                | 811832  | 6.13                             | -  | 811832   | 6.13                             | -  | -  |

| Sl. No. | Shareholder's Name  | Shareholding at the beginning of the year<br>(as on 01-04-2019) |                                  |  | Share holding at the end of the year<br>(as on 31-03-2020) |                                  |  | % 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 |  |
| 9       | Shailesh Kumar Gupta HUF  | 28000   | 0.21                             | -  | 28000  | 0.21                             | -  |  |
| 10      | Rupesh Kumar Gupta, Sailesh Gupta, Rakesh Kumar Gupta (Beneficial Owner M/s Ultrapipe partnership firm) | 2333338   | 17.63                            | -  | 2333338  | 17.63                            | -  |  |
|         | <b>Total</b>  | <b>13233430</b>   | <b>100</b>                       | <b>-</b>   | <b>13233430</b>  | <b>100</b>                       | <b>-</b>   |  |

## (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 | 01.04.2019 | N.A    | 13233430                                  | 100%              | 13233430                                | 100%              |
|         | Changes during the year      |            |        | NIL                                       |                   |   |                   |
|         | At the end of the year       | 31.03.2020 | 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  | Date | Increase / Decrease | Reason | Cumulative Shareholding during the year |                                  |
|---------|--|------|---------------------|--------|---|----------------------------------|
|         |  |      |                     |        | No. of Shares                           | % of total Shares of the Company |
|         | For Each of the Top 10 Shareholders  |      |                     |        |   |                                  |
|         | At the beginning of the year   |      |                     |        |   |                                  |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |      |                     |        |   |                                  |
|         | At the End of the year (or on the date of separation, if separated during the year)  |      |                     |        |   |                                  |

## (v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No.   | Shareholding of each Directors and each Key Managerial Personnel | Date       | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|-----------|--|------------|--------|---|-------------------|---|-------------------|
|           |  |            |        | No. of Shares                             | % of Total Shares | No. of Shares                           | % of Total Shares |
| <b>1.</b> | <b>Rupesh Kumar Gupta</b>  |            |        |   |                   |   |                   |
|           | At the beginning of the year                                     | 01.04.2019 | NA     | 3638292                                   | 27.49             | -                                       | -                 |
|           | At the end of the year   | 31.03.2020 | NA     | 3638292                                   | 27.49             | 3638292                                 | 27.49             |
| <b>2.</b> | <b>Sailesh Gupta</b>   |            |        |   |                   |   |                   |
|           | At the beginning of the year                                     | 31.03.2019 | NA     | 2464000                                   | 18.62             | -                                       | -                 |
|           | At the end of the year   | 31.03.2020 | NA     | 2464000                                   | 18.62             | 2464000                                 | 18.62             |
| <b>3.</b> | <b>Sunita Gupta</b>  |            |        |   |                   |   |                   |
|           | At the beginning of the year                                     | 01.04.2019 | NA     | 811832                                    | 6.13              | -                                       | -                 |
|           | At the end of the year   | 31.03.2020 | NA     | 811832                                    | 6.13              | 811832                                  | 6.13              |
| <b>4.</b> | <b>Rakesh Kumar Gupta</b>  |            |        |   |                   |   |                   |
|           | At the beginning of the year                                     | 01.04.2019 | NA     | 1890000                                   | 14.28             | -                                       | -                 |
|           | At the end of the year   | 31.03.2020 | NA     | 1890000                                   | 14.28             | 1890000                                 | 14.28             |
| <b>5.</b> | <b>Isha Gupta</b>  |            |        |   |                   |   |                   |
|           | At the beginning of the year                                     | 01.04.2019 | NA     | 644000                                    | 4.87              | -                                       | -                 |
|           | At the end of the year   | 31.03.2020 | NA     | 644000                                    | 4.87              | 644000                                  | 4.87              |
| <b>6.</b> | <b>Parul Gupta</b>   |            |        |   |                   |   |                   |
|           | At the beginning of the year                                     | 01.04.2019 | NA     | 905968                                    | 6.85              | -                                       | -                 |
|           | At the end of the year   | 31.03.2020 | NA     | 905968                                    | 6.85              | 905968                                  | 6.85              |

## V. Indebtedness

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

|  | Secured Loans excluding deposits | Unsecured Loans       | Deposits   | Total Indebtedness     |
|--|----------------------------------|-----------------------|------------|------------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                       |            |                        |
| i) Principal Amount  | ₹40,10,65,876/-                  | ₹7,08,07,185/-        | NIL        | ₹47,18,73,061/-        |
| ii) Interest due but not paid                              | NIL                              | NIL                   | NIL        | NIL                    |
| iii) Interest accrued but not due                          | NIL                              | NIL                   | NIL        | NIL                    |
| <b>Total (i+ii+iii)</b>                                    | <b>₹40,10,65,876/-</b>           | <b>₹7,08,07,185/-</b> | <b>NIL</b> | <b>₹47,18,73,061/-</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                       |            |                        |
| Addition   | ₹11,44,01,373/-                  | NIL                   | NIL        | ₹25,03,11,197/-        |
| Reduction  | NIL                              | ₹1,67,51,000/-        | NIL        | NIL                    |
| <b>Net Change</b>  | <b>₹11,44,01,373/-</b>           | <b>₹1,67,51,000/-</b> | <b>NIL</b> | <b>₹9,76,50,373/-</b>  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                       |            |                        |
| i) Principal Amount  | ₹51,54,67,249/-                  | ₹5,40,56,185/-        | NIL        | ₹56,95,23,434/-        |
| ii) Interest due but not paid                              |                                  |                       |            |                        |
| iii) Interest accrued but not due                          |                                  |                       |            |                        |
| <b>Total (i+ii+iii)</b>                                    | <b>₹51,54,67,249/-</b>           | <b>₹5,40,56,185/-</b> | <b>NIL</b> | <b>₹56,95,23,434/-</b> |

## 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      |                    |
|         |   |                        |                    | (Amt in ₹)         |
| 1.      | Gross salary  | 1,80,00,000            | 1,44,00,000        | 3,24,00,000        |
|         | (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  | -                      | -                  | -                  |
|         | <b>Total (A)</b>  | <b>1,80,00,000</b>     | <b>1,44,00,000</b> | <b>3,24,00,000</b> |

## B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration                  | Name of Directors   |                     |                 | Total Amount    |
|---------|--|---------------------|---------------------|-----------------|-----------------|
|         |  | Santosh Kumar Rathi | Pramod Kumar Kapoor | Sunita Gupta    |                 |
| 1.      | Independent Directors                        | 1,15,000            | 1,12,000            | -               | 2,35,000        |
|         | • Fee for attending board committee meetings |                     |                     |                 |                 |
|         | • Commission                                 |                     |                     |                 |                 |
|         | • Others, please specify                     |                     |                     |                 |                 |
|         | <b>Total (1)</b>                             | <b>1,15,000</b>     | <b>1,20,000</b>     | <b>-</b>        | <b>2,35,000</b> |
| 2.      | Other Non-Executive Directors                | -                   | -                   | 1,15,000        | 1,15,000        |
|         | • Fee for attending board committee meetings |                     |                     |                 |                 |
|         | • Commission                                 |                     |                     |                 |                 |
|         | • Others, please specify                     |                     |                     |                 |                 |
|         | <b>Total (2)</b>                             | <b>-</b>            | <b>-</b>            | <b>1,15,000</b> | <b>1,15,000</b> |
|         | <b>Total (B) = (1+2)</b>                     | <b>1,15,000</b>     | <b>1,20,000</b>     | <b>1,15,000</b> | <b>3,50,000</b> |
|         | <b>Total Managerial Remuneration</b>         | <b>1,15,000</b>     | <b>1,20,000</b>     | <b>1,15,000</b> | <b>3,50,000</b> |
|         | 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/-        | ₹8,72,200/-        | ₹13,03,960/-        |
|         | (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  | -                        | -                  | -                  | -                   |
|         | <b>Total</b>  | -                        | <b>₹4,31,760/-</b> | <b>₹8,72,200/-</b> | <b>₹13,03,960/-</b> |

**VI. 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) |
|-------------------------------------|------------------------------|-------------------|--|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                              |                                    |
| Penalty                             | --                           | --                | --   | --                           | --                                 |
| Punishment                          | --                           | --                | --   | --                           | --                                 |
| Compounding                         | --                           | --                | --   | --                           | --                                 |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                              |                                    |
| Penalty                             | --                           | --                | --   | --                           | --                                 |
| Punishment                          | --                           | --                | --   | --                           | --                                 |
| Compounding                         | --                           | --                | --   | --                           | --                                 |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                              |                                    |
| 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: 14.12.2020  
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                    |

**Details of CSR Expenditure**

|  |              |
|--|--------------|
| Average net profit of the Company for last three financial years   | ₹5,43,08,232 |
| Prescribed CSR Expenditure (2% of the above amount)  | ₹10,86,165   |
| Details of CSR spent during the financial year   |              |
| • Total amount spent for the financial year  | ₹11,90,550   |
| • 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 | NA           |

**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: 14.12.2020  
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      | Ensuring Animal Welfare by way of contribution towards Cattle feeds etc.  | Animal Welfare   | Hyderabad, Telangana  | NA  | ₹6,25,470  | ₹6,25,470  | Direct  |
| 2      | Improving health conditions & medical facilities, Providing medical aid, contributing towards PM care fund and other contributions towards COVID-19 pandemic etc. | Promoting health care including preventive health care | Hyderabad, Telangana  | NA  | ₹5,65,080  | ₹5,65,080  | Direct  |

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: 14.12.2020  
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, 2020, 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, 2020, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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

UDIN: 20200304AAAANE2119

Place: Hyderabad  
Date: 14.12.2020

## 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, 2020 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, 2020 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  
UDIN: 20200304AAAANE2119

Place: Hyderabad  
Date: 14.12.2020

## 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, 2020** 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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, 2020, 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/-  
**B. RAMESH KUMAR**  
(PARTNER)

Place: Hyderabad  
Date: 14.12.2020

M.No: 200304  
UDIN: 20200304AAAAANE2119

## Balance Sheet

as at 31-03-2020

| Particulars   | Note No. | (Value ₹)             |                       |
|---|----------|-----------------------|-----------------------|
|   |          | As at<br>31-03-2020   | As at<br>31-03-2019   |
| <b>I) EQUITY AND LIABILITIES</b>                      |          |                       |                       |
| <b>1. Shareholders' Funds</b>                         |          |                       |                       |
| (a) Share Capital                                     | 2.1      | 24,49,96,300          | 19,40,36,580          |
| (b) Reserves and Surplus                              | 2.2      | 29,04,12,518          | 21,47,04,394          |
| <b>2. Non-current liabilities</b>                     |          |                       |                       |
| (a) Long-term borrowings                              | 2.3      | 36,02,56,476          | 29,76,26,141          |
| (b) Deferred tax Liabilities (Net)                    | 2.4      | 3,16,34,205           | 1,47,99,750           |
| (c) Long-term provisions                              | 2.5      | 15,87,944             | 10,82,130             |
| <b>3. Current liabilities</b>                         |          |                       |                       |
| (a) Short-term borrowings                             | 2.6      | 33,00,49,205          | 20,33,95,904          |
| (b) Trade payables                                    | 2.7      | 2,84,89,567           | 4,79,28,735           |
| (c) Other Current Liabilities                         | 2.8      | 10,33,27,514          | 5,19,93,802           |
| (d) Short-term Provisions                             | 2.9      | 2,08,20,732           | 2,64,86,955           |
| <b>Total</b>  |          | <b>1,41,15,74,462</b> | <b>1,05,20,54,391</b> |
| <b>II) ASSETS</b>                                     |          |                       |                       |
| <b>1 Non-current assets</b>                           |          |                       |                       |
| (a) Property, Plant & Equipment                       |          |                       |                       |
| (i) Tangible assets                                   | 2.10     | 49,49,58,929          | 42,81,80,382          |
| (ii) Intangible Assets                                |          | -                     | -                     |
| (iii) Capital work-in-progress                        |          | 12,58,640             | -                     |
| (b) Long term loans and advances                      | 2.11     | 1,93,708              | 1,68,708              |
| (c) Other Non-Current Assets                          | 2.12     | -                     | 15,40,900             |
| <b>2. Current assets</b>                              |          |                       |                       |
| (a) Inventories                                       | 2.13     | 59,53,49,243          | 39,01,19,317          |
| (b) Trade receivables                                 | 2.14     | 22,77,60,134          | 10,48,57,867          |
| (c) Cash and Bank balances                            | 2.15     | 2,12,79,504           | 3,99,95,864           |
| (d) Short-term loans and advances                     | 2.16     | 5,41,82,193           | 7,47,40,611           |
| (e) Other current assets                              | 2.17     | 1,65,92,110           | 1,24,50,741           |
| <b>Total</b>  |          | <b>1,41,15,74,462</b> | <b>1,05,20,54,391</b> |
| Contingent Liabilities & Commitment                   | 2.25     | 4,82,249              | 4,82,249              |
| 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  
UDIN: 20200304AAAANE2119  
Place: Hyderabad  
Date: 14.12.2020

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

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

Sd/-

**Rupesh Kumar Gupta**

Managing Director  
DIN: 00540787

**Amitabha Bhattacharya**

(Chief Financial Officer)

Sd/-

**Sailesh Gupta**

Whole-time Director  
DIN: 00540862

**Chirag Partani**

(Company Secretary &amp; Compliance Officer)

## Statement of Profit and Loss

for the period ended 31st March, 2020

| Particulars  | Note No. | (Value ₹)             |                       |
|--|----------|-----------------------|-----------------------|
|  |          | 2019-2020             | 2018-2019             |
| <b>I) Revenue</b>  |          |                       |                       |
| Revenue from operations (Gross)                                  |          | 1,89,71,67,168        | 1,57,64,33,608        |
| Less: Taxes & Duties   |          | 28,93,97,804          | 24,04,72,930          |
| Revenue from operations (Net)                                    |          | 1,60,77,69,364        | 1,33,59,60,678        |
| <b>II) Other Income</b>  |          |                       |                       |
|  |          | 41,00,183             | 31,95,113             |
| <b>Total Revenue (I+II)</b>                                      | 2.18     | <b>1,61,18,69,547</b> | <b>1,33,91,55,791</b> |
| <b>Expenses:</b>   |          |                       |                       |
| Cost of materials consumed                                       | 2.19     | 1,09,53,18,840        | 84,09,37,837          |
| Changes in inventories of work-in-process and finished goods     | 2.20     | (18,87,27,830)        | 5,87,910              |
| Employee benefits expenses                                       | 2.21     | 8,27,94,098           | 5,86,64,201           |
| Finance costs  | 2.22     | 6,98,79,986           | 3,32,52,026           |
| Depreciation and amortization expenses                           | 2.23     | 5,16,36,547           | 2,15,42,880           |
| Other expenses   | 2.10     | 38,30,11,639          | 26,58,32,484          |
| <b>Total Expenses</b>  |          | <b>1,49,39,13,280</b> | <b>1,22,08,17,338</b> |
| <b>Profit/(Loss) before Exceptional &amp; Extraordinary Item</b> |          | <b>11,79,56,267</b>   | <b>11,83,38,453</b>   |
| <b>Profit/(Loss) before Extraordinary Item</b>                   |          | <b>11,79,56,267</b>   | <b>11,83,38,453</b>   |
| Extraordinary Item   | 2.25     | -                     | -                     |
| <b>Profit/(Loss) before tax</b>                                  |          | <b>11,79,56,267</b>   | <b>11,83,38,453</b>   |
| <b>Tax expenses:</b>   |          |                       |                       |
| (a) Current tax  |          | 2,06,09,319           | 2,55,00,517           |
| (b) Mat Credit Entitlement                                       |          | (40,65,828)           | (52,27,382)           |
| (c) Income tax for earlier year                                  |          | 9,30,138              | 32,94,578             |
| (d) Deferred tax   |          | 1,68,34,455           | 1,26,08,661           |
| <b>Total Tax Expenses</b>  |          | <b>3,43,08,084</b>    | <b>3,61,76,374</b>    |
| <b>Profit/(Loss) for the period</b>                              |          | <b>8,36,48,183</b>    | <b>8,21,62,079</b>    |
| <b>Earnings per equity share:</b>                                |          |                       |                       |
| (a) Basic/Adjusted Basic for Last Yr.                            |          | 6.32                  | 6.21                  |
| (b) Diluted/Adjusted Diluted for Last Yr.                        |          | 6.19                  | 6.08                  |
| 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  
UDIN: 20200304AAAANE2119  
Place: Hyderabad  
Date: 14.12.2020

On behalf of the Board

**HARIOM PIPE INDUSTRIES LIMITED**

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

Sd/-

**Rupesh Kumar Gupta**

Managing Director  
DIN: 00540787

**Amitabha Bhattacharya**

(Chief Financial Officer)

Sd/-

**Sailesh Gupta**

Whole-time Director  
DIN: 00540862

**Chirag Partani**

(Company Secretary &amp; Compliance Officer)

## Cash Flow Statement

for the period ended 31st March, 2020

| Particulars  | 31-03-2020            | 31-03-2019            |
|--|-----------------------|-----------------------|
| (Value ₹)  |                       |                       |
| <b>I) CASH FLOW FROM OPERATING ACTIVITIES</b>          |                       |                       |
| Net Profit/(Loss) before tax                           | 11,79,56,267          | 11,83,38,453          |
| Adjust For   |                       |                       |
| Depreciation   | 5,16,36,547           | 2,15,42,880           |
| Finance Costs  | 6,98,79,986           | 3,32,52,026           |
| <b>Operating Profit before Working Capital changes</b> | <b>23,94,72,800</b>   | <b>17,31,33,359</b>   |
| <b>Working Capital Changes Adjust For</b>              |                       |                       |
| Trade & Other Receivables                              | (10,49,69,317)        | (6,16,90,253)         |
| Inventories  | (20,52,29,926)        | (6,90,09,268)         |
| Trade Payables & Other Current Liabilities             | 2,62,28,322           | (50,71,827)           |
| Working Capital Borrowings                             | 12,66,53,300          | 4,92,69,927           |
|  | (15,73,17,621)        | (8,65,01,420)         |
| <b>Cash generated from operations</b>                  | <b>8,21,55,179</b>    | <b>8,66,31,939</b>    |
| Taxes Paid   | (1,74,73,629)         | (2,35,67,713)         |
| Cash Flow before extraordinary items                   | <b>6,46,81,550</b>    | <b>6,30,64,226</b>    |
| <b>Net Cash Flow From Operating Activities - (A)</b>   | <b>6,46,81,550</b>    | <b>6,30,64,226</b>    |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>           |                       |                       |
| Purchase of Property, Plant & Equipments (Net)         | (11,96,73,734)        | (32,19,19,022)        |
| <b>Net Cash used in Investing Activities - (B)</b>     | <b>(11,96,73,734)</b> | <b>(32,19,19,022)</b> |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>           |                       |                       |
| Finance Charges  | (6,98,79,986)         | (3,32,52,026)         |
| Dividend Paid  | (79,40,058)           | -                     |
| Corporate Social Responsibility                        | -                     | -                     |
| Increase/ (Decrease) in securities premium             | -                     | 4,66,66,760           |
| Issue of share capital                                 | 5,09,59,720           | 5,18,73,660           |
| Share Application                                      | -                     | -                     |
| Term Loans   | (1,22,51,929)         | 18,52,41,270          |
| Other Long-term Liabilities                            | 9,21,39,078           | 2,95,31,345           |
| Other Loans  | (1,67,51,000)         | 1,58,00,000           |
| <b>Net Cash used in Finance Activities - (C)</b>       | <b>3,62,75,825</b>    | <b>29,58,61,009</b>   |
| Net Increase (Decrease)                                |                       |                       |
| in Cash & Cash Equivalents (A+B+C)                     | (1,87,16,360)         | 3,70,06,212           |
| Opening Balance in Cash and Cash Equivalents           |                       |                       |
| (Cash and Bank Balance)                                | 3,99,95,864           | 29,89,652             |
| Closing Balance in Cash and Cash Equivalents           |                       |                       |
| (Cash and Bank Balance)                                | <b>2,12,79,504</b>    | <b>3,99,95,864</b>    |

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  
UDIN: 20200304AAAANE2119  
Place: Hyderabad  
Date: 14.12.2020

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

Sd/-

**Rupesh Kumar Gupta**

Managing Director  
DIN: 00540787

**Amitabha Bhattacharya**  
(Chief Financial Officer)

Sd/-

**Sailesh Gupta**

Whole-time Director  
DIN: 00540862

**Chirag Partani**  
(Company Secretary  
& Compliance Officer)

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### 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.

**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.

**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

## Notes

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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. 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.

### L. 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:

#### 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

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### C. Key Managerial Person

- Pramod Kumar Kapoor Chairman and Independent
- Rupesh Kumar Gupta Managing Director
- Sailesh Gupta Whole Time Director
- Sunita Gupta Non-Executive Director
- Santosh Kumar Ratlli Independent Director
- Amitabha Bhattacharya Chief Financial Officer
- Chirag Partani Company Secretary and Compliance Officer
- Rakesh Kumar Gupta Adviser to Strategy and Finance
- Sunil Kumar General Manager Production
- Sharad Shyamsunder Lahoti HR Manager

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

| S No. | Particulars             | 2019-20     | 2018-19     |
|-------|-------------------------|-------------|-------------|
| 1.    | Managerial Remuneration | 3,24,00,000 | 1,20,00,000 |
| 2.    | Directors Sitting Fees  | 3,50,000    | 2,27,500    |
| 3.    | Salary                  |             |             |
|       | a) Parul Gupta          | 36,00,000   | 25,35,000   |
|       | b) Isha Gupta           | 36,00,000   | 25,35,000   |
|       | c) Rakesh Kumar Gupta   | 24,00,000   | 24,00,000   |
| 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        | 6,00,000    | 1,00,000    |

| SL. No.   | Particulars               | Balance as on 31 March 2019 | Accepted During the Year | Repaid During the Year | Balance as on 31 March 2020 |
|-----------|---------------------------|-----------------------------|--------------------------|------------------------|-----------------------------|
| <b>1.</b> | <b>Loan</b>               |                             |                          |                        |                             |
| 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 2020 is as under

| Particulars   | Deferred Tax Asset/ (Liability) as at 01-04-2019 | Current Year Charges (Credit) | Deferred Tax Asset/ (Liability) as at 31-03-2020 |
|---|--|-------------------------------|--|
| Deferred Tax Liabilities                                      |  |                               |  |
| Difference between book and tax depreciation/ unabsorbed loss | (14799750)                                       | (16834455)                    | (31634205)                                       |
| <b>Total</b>  | <b>(14799750)</b>                                | <b>(16834455)</b>             | <b>(31634205)</b>                                |
| Deferred Tax Assets   |  |                               |  |
| Difference between book and tax for Others                    | -  | -                             | --   |
| <b>Net Amount</b>   | <b>(14799750)</b>                                | <b>(16834455)</b>             | <b>(31634205)</b>                                |

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

## F. EPS calculation for the FY 2019-2020

| Particular   | FY 19-20    | FY 18-19    |
|--|-------------|-------------|
| The computation of EPS is set out below:                           |             |             |
| <b>Earnings:</b>   |             |             |
| Net Profit for the period  | 8,35,73,288 | 8,21,62,079 |
| <b>Shares:</b>   |             |             |
| No of Shares at the beginning of the period                        | 1,32,33,430 | 1,09,00,092 |
| Add: Shares Issued during the period                               | -           | 23,33,338   |
| Total No of Equity Shares outstanding at the end of the period     | 1,32,33,430 | 13233,430   |
| Weighted average No of Equity Shares Outstanding during the period | 1,32,33,430 | 1,32,33,430 |
| Earning Per Share of par value ₹10/- Basic/ Diluted(₹)             | 6.32        | 6.21        |

## 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                | 31.03.20   | 31.03.19    |
|-----------------------------------|------------|-------------|
| Present Value of obligation       | 17,99,358  | 12,08,039   |
| Fair Value of Plan Assets         | 12,64,210  | 0           |
| Net asset/(liability) in B/S      | (5,35,148) | (12,08,039) |
| <b>Expense Details</b>            |            |             |
| Current Service Cost              | 3,59,872   | 2,41,608    |
| Total Employer expense            | (3,64,294) | (3,07,183)  |
| <b>Summary of Membership Data</b> |            |             |
| Number of employees               | 52         | 74          |
| Total Monthly salary              | 15,24,945  | 11,03,217   |
| Av. past service (years)          | 3          | 3           |
| Av. Age at valuation date         | 36         | 37          |
| <b>Assumptions:</b>               |            |             |
| Discount Rate                     | 6.73%      | 7.89%       |
| Rate of inc. in Comp. Levels      | 4.00%      | 4.00%       |

| Assets/Liabilities                      | 31.03.20   | 31.03.19   |
|---|------------|------------|
| Return on Plan Assets (Actuals)         | N.A.       | N.A.       |
| Average. Fut. service (yrs)             | 24         | 23         |
| <b>Changes in PV of Obligations:</b>    |            |            |
| PV Obligation as at the start:          | 20,68,567  | 12,08,039  |
| Acquisition adjustment -                | 0          | 0          |
| Interest Cost                           | 1,57,832   | 95,314     |
| Past Service Cost                       | 0          | 0          |
| Current Service Cost                    | 3,59,872   | 4,13,713   |
| Curtailment Cost / (Credit)             | 0          | 0          |
| Settlement Cost / (Credit)              | 0          | 0          |
| Benefits paid                           | 0          | 0          |
| Actuarial (gain)/ loss on oblig.        | (7,86,913) | 3,51,501   |
| PV of Obligation as at the end:         | 17,99,358  | 20,68,568  |
| <b>Changes in the FV of Plan Assets</b> |            |            |
| FV of Plan Assets at the start:         | 12,14,311  | 0          |
| Acquisition Adjustments                 | (45,186)   | 0          |
| Exp. Return on Plan Assets              | 92,652     | 0          |
| Contributions (net)                     | 0          | 12,14,311  |
| Benefits Paid                           | 0          | 0          |
| Actuarial Gain / (loss) on Assets       | 2,433      | 0          |
| FV of Plan Assets at the end:           | 12,64,210  | 12,14,311  |
| <b>Fair Value of Plan Assets</b>        |            |            |
| FV of plan assets at the start:         | 12,14,311  | 0          |
| Acquisition Adjustments                 | (45,186)   | 0          |
| Actual return on plan assets            | 95,085     | 0          |
| Contributions                           | 0          | 12,14,311  |
| Benefits Paid                           | 0          | 0          |
| FV of Plan Assets at the end:           | 12,64,210  | 12,14,311  |
| PV of Obligation as at the end:         | 17,99,358  | 20,68,567  |
| Funded Status                           | (5,35,148) | (8,54,256) |
| <b>ACTUARIAL GAIN / LOSS RECOGNIZED</b> |            |            |
| Actuarial gain/(loss) - Oblig.          | 7,86,913   | (3,51,501) |
| Actuarial gain/(loss) - Assets          | 2,433      | 0          |
| Total gain / (loss) for the period      | 7,89,346   | (3,51,501) |
| Actuarial gain / (loss) recognized      | 7,89,346   | (3,51,501) |
| Unrecog. actuarial gains / (loss):      | 0          | 0          |
| <b>AMOUNTS RECOG. IN B/S</b>            |            |            |
| PV of Obligation as at the end:         | 17,99,358  | 20,68,567  |
| FV of Plan Assets as at the end:        | 12,64,210  | 12,14,311  |
| Funded Status                           | (5,35,148) | (8,54,256) |

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

| Assets/Liabilities                   | 31.03.20   | 31.03.19   |
|--------------------------------------|------------|------------|
| Unrecog. Actuarial (gains) / losses  | 0          | 0          |
| Net Asset / (Liab.) Recog. in B/S    | (5,35,148) | (8,54,256) |
| <b>EXPENSE RECOG. IN P AND L A/C</b> |            |            |
| Current Service Cost                 | 3,59,872   | 4,13,713   |
| Past Service Cost                    | 0          | 0          |
| Interest Cost                        | 1,57,832   | 95,314     |
| Expected Return on Plan Assets       | (92,652)   | 0          |
| Curtailment Cost /                   | 0          | 0          |
| Settlement Cost                      | 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       | Friends of Tribal Society                    | 1,10,000       | -                      | 1,10,000 |
| 2       | Thalassernia And Sickle Cell Society         | 61,200         | -                      | 61,200   |
|         | Bhagwan Mahavir Jain Relief Foundation Trust | 30,000         | -                      | 30,000   |
|         | PM Cares                                     | 1,01,000       | -                      | 1,01,000 |
|         | Cattle Feeds                                 | 6,25,470       | -                      | 6,25,470 |
| 3       | Garments for Needy Persons                   | 2,62,880       | -                      | 2,62,880 |

- 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 2020.
- L.** Previous year figures have been regrouped / rearranged wherever considered necessary.
- M.** 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  
UDIN: 20200304AAAANE2119  
Place: Hyderabad  
Date: 14.12.2020

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

**Amitabha Bhattacharya**  
(Chief Financial Officer)

**Chirag Partani**  
(Company Secretary  
& Compliance Officer)

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### Note 2.1 Share Capital

|   | As at<br>31-03-2020 | As at<br>31-03-2019 |
|---|---------------------|---------------------|
| (Value ₹)   |                     |                     |
| <b>Authorised Capital</b>   |                     |                     |
| 1,56,83,800 Equity Shares of ₹10/- each<br>(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<br>(Previous Year 30,00,000 Shares @ ₹10/- each)   | 3,00,00,000         | 3,00,00,000         |
| 33,16,200 0% Series A Redeemable<br>Non Cumulative Preference Shares of ₹10/- (Previous Year 33,16,200 0% Series A Redeemable Non<br>Cumulative Preference Shares of ₹10/-) | 3,31,62,000         | 3,31,62,000         |
| 60,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/-<br>(Previous Year NIL)  | 6,00,00,000         | -                   |
| <b>Total</b>  | <b>28,00,00,000</b> | <b>22,00,00,000</b> |
| <b>Issued Capital</b>   |                     |                     |
| 14400092 Equity Shares of ₹10/- each  | 13,23,34,300        | 14,40,00,920        |
| 30,00,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each.  | 2,95,00,000         | 3,00,00,000         |
| 33,16,200 0% Series A Redeemable<br>Non Cumulative Preference Shares of ₹10/- each  | 3,31,62,000         | 3,31,62,000         |
| 60,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/-<br>(Previous Year NIL)  | 6,00,00,000         | -                   |
| <b>Total</b>  | <b>25,49,96,300</b> | <b>20,71,62,920</b> |
| <b>Subscribed &amp; Paid Up Capital</b>   |                     |                     |
| 1,32,33,430 Equity Shares of ₹10/- each (1,32,33,430 Equity Shares of ₹10/- each)   | 13,23,34,300        | 13,23,34,300        |
| 29,50,000 3% Series A Redeemable Non Cumulative Preference Shares of ₹10/- each<br>(Previous Year 28,54,028 Shares of ₹10/- each)   | 2,95,00,000         | 2,85,40,280         |
| 33,16,200 0% Series A Redeemable<br>Non Cumulative Preference Shares of ₹10/- each (Previous year 33,16,200 Shares of ₹10/-)  | 3,31,62,000         | 3,31,62,000         |
| 50,00,000 0% Series B Compulsorily Convertible Non- Cumulative Preference Shares of ₹10/-<br>(Previous Year NIL)  | 5,00,00,000         | -                   |
| <b>Total</b>  | <b>24,49,96,300</b> | <b>19,40,36,580</b> |

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

| Particulars  |               |              | (Value ₹)     |              |
|--|---------------|--------------|---------------|--------------|
|  | No. of Shares | Value        | No. of Shares | Value        |
| <b>Issued, Subscribed &amp; Paid Up Capital</b>                |               |              |               |              |
| <b>Equity Shares</b>   |               |              |               |              |
| At the beginning of the period                                 | 13233430      | 13,23,34,300 | 10900092      | 10,90,00,920 |
| Issued during the period                                       | -             | -            | 23,33,338     | 2,33,33,380  |
| Convertible Preference Share Converted into Equity Shares      | -             | -            | -             | -            |
| Bonus Issued during the period                                 | -             | -            | -             | -            |
| At the closing of the period                                   | 13233430      | 13,23,34,300 | 13233430      | 132334300    |
| <b>3% Series A Redeemable Non Cumulative Preference Shares</b> |               |              |               |              |
| At the beginning of the period                                 | 28,54,028     | 2,85,40,280  | -             | -            |
| Issued / (Converted) during the period                         | 95,972        | 9,59,720     | 28,54,028     | 2,85,40,280  |
| At the closing of the period                                   | 29,50,000     | 2,95,00,000  | 28,54,028     | 2,85,40,280  |

### Note: Redemption on or before 23.03.2025

- The RNCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- The RNCPS shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

- The RNCPS shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- The payment of dividend shall be on Non cumulative basis for the RNCPS.
- The RNCPS shall be Non-convertible.
- The RNCPS shall be redeemable within a period of 5 years from the date of allotment at par on the Face Value of the preference shares.

| Particulars  |               |             | (Value ₹)     |             |
|--|---------------|-------------|---------------|-------------|
|  | No. of Shares | Value       | No. of Shares | Value       |
| <b>0% Series A Redeemable Non Cumulative Preference Shares</b> |               |             |               |             |
| At the beginning of the period                                 | 33,16,200     | 3,31,62,000 | 33,16,200     | 3,31,62,000 |
| Issued during the period                                       | -             | -           | -             | -           |
| At the closing of the period                                   | 33,16,200     | 3,31,62,000 | 33,16,200     | 3,31,62,000 |

### Note: Redemption on or before 31.03.2026

- carry a preferential right vis-i-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital
- be Non-participating in the surplus funds;
- be paid dividend on a non - cumulative basis.
- be redeemed at a premium of 5% at any time within a period of 5 years from date of allotment or at a premium of 10% at any time after a period of 5 years but within a period of 10 years from the date of allotment or at a premium of 20% after a period of 10 years from the date of allotment at the option of the Board:
- have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act.

| Particulars   |               |             | (Value ₹)     |       |
|---|---------------|-------------|---------------|-------|
|   | No. of Shares | Value       | No. of Shares | Value |
| <b>0% Series B Compulsorily Convertible Non- Cumulative Preference Shares</b> |               |             |               |       |
| At the beginning of the period  | -             | -           | -             | -     |
| Issued during the period  | 50,00,000     | 5,00,00,000 | -             | -     |
| At the closing of the period  | 50,00,000     | 5,00,00,000 | -             | -     |

### Note: Convertible on or before 24.02.2030

- The 0% CCNCPs shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- The 0% CCNCPs shall carry a preferential right vis-a-vis equity shares with respect to payment of dividend or repayment of capital;
- The 0% CCNCPs shall have a voting right as per the provisions of Section 47(2) of the Companies Act, 2013.
- The payment of dividend shall be on Non cumulative basis for the 0% CCNCPs.
- The 0% CCNCPs shall be Compulsorily convertible into Equity Shares of the Company.
- The 0% CCNCPs shall be Non Redeemable Preference Shares.

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

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

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

### Note 2.2 Reserves and Surplus

|   | (Value ₹)           |                     |
|---|---------------------|---------------------|
|   | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>A. Securities Premium Reserve</b>                  |                     |                     |
| Opening balance of General Reserve                    | -                   | 4,66,66,760         |
| Add: Transferred from P&L Account during the year     | 4,85,95,840         | 4,85,95,840         |
| At the closing of the period                          |                     |                     |
| <b>C. Surplus in the Statement of Profit and Loss</b> |                     |                     |
| Opening Balance                                       | 16,61,08,554        | 8,39,46,474         |
| Add : Profit for the period                           | 8,36,48,183         | 8,21,62,079         |
| Less : Dividend Declared (inclusive of DDT)           | 79,40,058           | -                   |
| Net Surplus in the Statement of Profit and Loss       | 24,18,16,678        | 16,61,08,554        |
| <b>Total (A+B)</b>                                    | <b>29,04,12,518</b> | <b>21,47,04,394</b> |

### Note 2.3 Long-term Borrowings

|  | (Value ₹)           |                     |
|--|---------------------|---------------------|
|  | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>A. Secured Loans</b>                                    |                     |                     |
| <b>I. Term Loan From Canara Bank</b>                       |                     |                     |
| (Term Loan Refer Note a)                                   | 17,94,00,000        | 18,92,38,324        |
| <b>II. Term Loan From Canara Bank</b>                      |                     |                     |
| (Term Loan Refer Note b)                                   | 12,50,000           | 41,90,000           |
| <b>III. Vehicle Loan</b>                                   |                     |                     |
| Vehicle Loan From HDFC Bank (Refer Note c)                 | 21,61,134           | -                   |
| Vehicle Loan From Kotak Mahindra Prime Ltd. (Refer Note d) | 21,83,440           | 36,21,593           |
| Vehicle Loan From Canara Bank (Refer Note e)               | 4,23,470            | 6,20,055            |
| <b>Sub Total</b>   | <b>18,54,18,044</b> | <b>19,76,69,972</b> |

- 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.
- 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) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from HDFC Bank is repayable in monthly installments till May' 2024.

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

- d) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Kotak Mahindra Prime Ltd. is repayable in monthly installments till Jan' 2023
- e) Secured by Primary Charge on Vehicle Purchased out of Loan. Loan taken from Canara Bank is repayable in monthly installments till Jan' 2023

|                                       | (Value ₹)           |                     |
|---------------------------------------|---------------------|---------------------|
|                                       | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>B. Unsecured Loans</b>             |                     |                     |
| Unsecured Loans from Directors        | 1,10,16,185         | 2,77,67,185         |
| Inter Corporate Deposit               | 4,30,40,000         | 4,30,40,000         |
| <b>Sub Total</b>                      | <b>5,40,56,185</b>  | <b>7,08,07,185</b>  |
| <b>C. Other Long-Term Liabilities</b> |                     |                     |
| Dues to Supplier                      | 12,07,82,247        | 2,91,48,984         |
| <b>Sub Total</b>                      | <b>12,07,82,247</b> | <b>2,91,48,984</b>  |
| <b>Total (A+B+C)</b>                  | <b>36,02,56,476</b> | <b>29,76,26,141</b> |

### Note 2.4 Deferred Tax Liability (Net)

|                           | (Value ₹)           |                     |
|---------------------------|---------------------|---------------------|
|                           | As at<br>31-03-2020 | As at<br>31-03-2019 |
| Opening balance           | 1,47,99,750         | 21,91,089           |
| Deferred tax for the year | 1,68,34,455         | 1,26,08,661         |
| <b>Closing balance</b>    | <b>3,16,34,205</b>  | <b>1,47,99,750</b>  |

### Note 2.5 Long-term Provisions

|                        | (Value ₹)           |                     |
|------------------------|---------------------|---------------------|
|                        | As at<br>31-03-2020 | As at<br>31-03-2019 |
| Provision for Gratuity | 15,87,944           | 10,82,130           |
| <b>Total</b>           | <b>15,87,944</b>    | <b>10,82,130</b>    |

### Note 2.6 Short-term Borrowings

|  | (Value ₹)           |                     |
|--|---------------------|---------------------|
|  | As at<br>31-03-2020 | As at<br>31-03-2019 |
| a) Working capital borrowings from Canara Bank (2.6 a) | 26,52,41,248        | 14,94,36,015        |
| b) Term loan from Canara Bank (Refer note 2.6 b)       | 6,00,00,000         | 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)                          | 5,62,724            | 1,17,290            |
| e) Kotak Mahindra Prime (2.6 e)                        | 11,03,841           | 7,17,886            |
| f) Canara Bank Car Loan (2.6 f)                        | 2,01,391            | 1,84,713            |
|  | <b>33,00,49,205</b> | <b>20,33,95,904</b> |

- 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.



## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### Note 2.11 Long term loans and advances

|                                   | (Value ₹)           | (Value ₹)           |
|-----------------------------------|---------------------|---------------------|
|                                   | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>Unsecured, considered good</b> |                     |                     |
| Deposit with Govt. Authorities    | 1,51,708            | 1,26,708            |
| Rent deposit                      | 42,000              | 42,000              |
| <b>Total</b>                      | <b>1,93,708</b>     | <b>1,68,708</b>     |

### Note 2.12 Other Non Current Assets

|              | (Value ₹)           | (Value ₹)           |
|--------------|---------------------|---------------------|
|              | As at<br>31-03-2020 | As at<br>31-03-2019 |
| IPO Expenses | -                   | 15,40,900           |
| <b>Total</b> | <b>-</b>            | <b>15,40,900</b>    |

### Note 2.13 Inventories

|                      | (Value ₹)           | (Value ₹)           |
|----------------------|---------------------|---------------------|
|                      | As at<br>31-03-2020 | As at<br>31-03-2019 |
| Raw material         | 7,38,46,714         | 11,24,62,185        |
| Finished Goods       | 28,45,67,312        | 9,58,39,482         |
| Stores & Consumables | 23,69,35,217        | 18,18,17,650        |
| <b>Total</b>         | <b>59,53,49,243</b> | <b>39,01,19,317</b> |

### Note 2.14 Trade Receivables

|   | (Value ₹)           | (Value ₹)           |
|---|---------------------|---------------------|
|   | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>Unsecured, considered good</b>             |                     |                     |
| Outstanding for a period exceeding six months | 2,22,10,324         | 86,11,534           |
| Others  | 20,55,49,810        | 9,62,46,333         |
| <b>Total</b>                                  | <b>22,77,60,134</b> | <b>10,48,57,867</b> |

### Note 2.15 Cash and Bank Balance

|   | (Value ₹)           | (Value ₹)           |
|---|---------------------|---------------------|
|   | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>Unsecured, considered good</b>                     |                     |                     |
| Cash on Hand  | 10,69,652           | 1,34,847            |
| Balance with Bank                                     |                     |                     |
| On Current Accounts                                   | 3,79,629            | 3,96,63,716         |
| Term Deposit Accounts                                 | 1,98,30,223         | 1,97,300            |
| <b>Note : Term Deposits are held as Margin for BG</b> |                     |                     |
| <b>Total</b>  | <b>2,12,79,504</b>  | <b>3,99,95,864</b>  |

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### Note 2.16 Short-term loans and advances

|  | (Value ₹)           | (Value ₹)           |
|--|---------------------|---------------------|
|  | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>(Unsecured and considered good)</b>                 |                     |                     |
| Advance Income tax                                     | 50,00,000           | 1,30,00,000         |
| Advance to suppliers                                   | 2,02,06,793         | 26,55,836           |
| GST Receivable   | -                   | 1,81,02,176         |
| Advance to Employees                                   | 1,19,550            | 6,07,040            |
| Deposit with TSSPDCL (Additional Consumption Deposits) | 2,08,73,651         | 1,20,75,895         |
| Advance to Capital Goods Suppliers                     | 79,82,199           | 2,82,99,664         |
| <b>Total</b>   | <b>5,41,82,193</b>  | <b>7,47,40,611</b>  |

### Note 2.17 Other current assets

|  | (Value ₹)           | (Value ₹)           |
|--|---------------------|---------------------|
|  | As at<br>31-03-2020 | As at<br>31-03-2019 |
| <b>(Unsecured and considered good)</b> |                     |                     |
| I.T.Refund Receivable                  | 31,87,886           | 31,87,886           |
| Insurance Claim Receivable             | 1,72,238            | 15,64,289           |
| M.A.T. Entitlement                     | 94,56,015           | 52,27,382           |
| Other Receivable                       | 2,63,501            | 17,600              |
| Prepaid Exp.                           | 12,74,408           | 8,22,622            |
| Excise Duty Paid Under Protest         | 7,125               | 7,125               |
| Interest Accrued On Deposit            | -                   | 15,117              |
| Sales Tax Receivable                   | 84,732              | 84,732              |
| TDS Receivable                         | 3,05,701            | 2,86,743            |
| Gratuity Fund Deposit into LIC         | 17,99,357           | 12,08,038           |
| T.C.S. Receivable                      | 41,147              | 29,207              |
| <b>Total</b>                           | <b>1,65,92,110</b>  | <b>1,24,50,741</b>  |

### Note 2.18 Revenue from Operation

|   | (Value ₹)                          | (Value ₹)                          |
|---|------------------------------------|------------------------------------|
|   | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| <b>(A) Sales</b>                          |                                    |                                    |
| Sales of Manufacturing goods              | 1,89,71,67,168                     | 1,57,64,33,608                     |
| Gross Sales & Services                    | 1,89,71,67,168                     | 1,57,64,33,608                     |
| Less: Taxes & Duties                      | 28,93,97,804                       | 24,04,72,930                       |
| <b>Net Sales</b>                          | <b>1,60,77,69,364</b>              | <b>1,33,59,60,678</b>              |
| <b>(B) Other Income</b>                   |                                    |                                    |
| Actuarial Gain (Gratuity)                 | 2,69,211                           | -                                  |
| Exchange Fluctuation                      | 19,783                             | 4,082                              |
| Interest Received                         | 37,78,312                          | 31,91,031                          |
| Interest Subsidy                          | 32,877                             | -                                  |
| <b>Net Other Operating Income</b>         | <b>41,00,183</b>                   | <b>31,95,113</b>                   |
| <b>Total Revenue from Operation (A+B)</b> | <b>1,61,18,69,547</b>              | <b>1,33,91,55,791</b>              |

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### Note 2.19 Cost of materials consumed

|   | (Value ₹)                          |                                    |
|---|------------------------------------|------------------------------------|
|   | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| <b>(A) Raw Materials Consumed</b>             |                                    |                                    |
| Opening Stock of Raw Material                 | 11,24,62,185                       | 7,72,92,684                        |
| Add: Purchase                                 | 1,01,45,93,726                     | 84,27,92,043                       |
|   | <b>1,12,70,55,911</b>              | <b>92,00,84,727</b>                |
| Less: Closing stock of Raw Material           | 7,38,46,714                        | 11,24,62,185                       |
| <b>(A) Raw Material Consumed</b>              | <b>1,05,32,09,197</b>              | <b>80,76,22,542</b>                |
| <b>(B) Consumable Consumed</b>                |                                    |                                    |
| Opening Stock of Consumable                   | 18,18,17,650                       | 14,73,89,973                       |
| Add: Purchase                                 | 9,72,27,211                        | 6,77,42,972                        |
|   | 27,90,44,861                       | 21,51,32,945                       |
| Less: Closing stock of Consumable             | 23,69,35,217                       | 18,18,17,650                       |
| <b>(B) Consumable Consumed</b>                | <b>4,21,09,644</b>                 | <b>3,33,15,295</b>                 |
| <b>Total Cost of materials Consumed (A+B)</b> | <b>1,09,53,18,840</b>              | <b>84,09,37,837</b>                |

### Note 2.20 Changes in inventories of work-in-process & finished goods

|  | (Value ₹)                          |                                    |
|--|------------------------------------|------------------------------------|
|  | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| <b>(A) Opening Stocks</b>                      |                                    |                                    |
| Finished goods                                 | 9,58,39,482                        | 9,64,27,392                        |
| <b>Total - A</b>                               | <b>9,58,39,482</b>                 | <b>9,64,27,392</b>                 |
| <b>(B) Closing stocks</b>                      |                                    |                                    |
| Finished goods                                 | 28,45,67,312                       | 9,58,39,482                        |
| <b>Total - B</b>                               | <b>28,45,67,312</b>                | <b>9,58,39,482</b>                 |
| <b>(C) (Increase)/Decrease in stocks (A-B)</b> | <b>(18,87,27,830)</b>              | <b>5,87,910</b>                    |

### Note 2.21 Employee benefit expenses

|  | (Value ₹)                          |                                    |
|--|------------------------------------|------------------------------------|
|  | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| Employees remuneration and benefits    | 4,47,70,217                        | 4,06,22,912                        |
| Director Sitting Fees                  | 3,50,000                           | 2,04,750                           |
| Contribution to PF/ESI                 | 7,31,687                           | 6,95,810                           |
| #REF!                                  | -                                  | 8,60,530                           |
| Remuneration to Managerial personnel   | 3,24,00,000                        | 1,20,00,000                        |
| Staff welfare expenses                 | 45,42,194                          | 42,80,199                          |
| <b>Total Employee Benefit Expenses</b> | <b>8,27,94,098</b>                 | <b>5,86,64,201</b>                 |

### Note 2.22 Finance Costs

|                             | (Value ₹)                          |                                    |
|-----------------------------|------------------------------------|------------------------------------|
|                             | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| Interest on Term Loans      | 3,15,94,096                        | 19,50,119                          |
| Interest on Vehicle Loan    | 6,00,691                           | 4,87,738                           |
| Interest on Working Capital | 2,36,14,209                        | 1,76,51,617                        |
| Other Financial Charges     | 20,05,114                          | 10,33,788                          |
| LC Commission               | 1,20,65,875                        | 1,21,28,764                        |
| <b>Total Finance Cost</b>   | <b>6,98,79,986</b>                 | <b>3,32,52,026</b>                 |

## Notes

annexed to and forming part of the Balance Sheet as at 31-03-2020

### Note 2.23 Other expenses

|   | (Value ₹)                          |                                    |
|---|------------------------------------|------------------------------------|
|   | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| Power & fuel                              | 36,54,90,228                       | 25,18,60,588                       |
| Job Work Charges                          | 27,000                             | -                                  |
| Repairs & Maintenance :                   |                                    |                                    |
| Plant & Machinery                         | 12,82,252                          | 16,11,992                          |
| Building                                  | 6,72,819                           | -                                  |
| Vehicles                                  | 3,83,956                           | 3,45,668                           |
| Other Assets                              | 2,75,694                           | 71,251                             |
| Other selling & Distribution expenses     | 24,16,671                          | 42,18,632                          |
| Travelling & Conveyance                   | 28,33,307                          | 9,73,830                           |
| Insurance                                 | 10,00,414                          | 9,06,455                           |
| Rent                                      | 16,80,000                          | 11,80,000                          |
| Rates & Taxes (Excluding Taxes on Income) | 26,35,461                          | 11,11,306                          |
| Remuneration to auditors :                |                                    |                                    |
| Audit Fee                                 | 1,08,000                           | 1,08,000                           |
| Tax Audit Fee                             | 32,000                             | 32,000                             |
| Certification Fee /Taxation matter        | 60,000                             | 60,000                             |
| Communication Expenses                    | 3,39,084                           | 3,01,628                           |
| Professional consultancy                  | 25,84,202                          | 24,25,879                          |
| Corporate Social Responsibility           | 11,90,550                          | 6,25,255                           |
| <b>Total Other Expenses</b>               | <b>38,30,11,639</b>                | <b>26,58,32,484</b>                |

### Note 2.24 Tax expenses

|                               | (Value ₹)                          |                                    |
|-------------------------------|------------------------------------|------------------------------------|
|                               | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| <b>(A) Current Tax</b>        |                                    |                                    |
| Current tax expenses          | 1,65,43,491                        | 2,02,73,135                        |
| Mat Entitlement Paid/Utilised | 40,65,828                          | 52,27,382                          |
| <b>(A) Current tax</b>        | <b>2,06,09,319</b>                 | <b>2,55,00,517</b>                 |
| <b>(B) Deferred Tax</b>       | <b>1,68,34,455</b>                 | <b>1,26,08,661</b>                 |

### Note 2.25 Contingent liabilities & Commitments (to the extent not provided for)

|  | (Value ₹)                          |                                    |
|--|------------------------------------|------------------------------------|
|  | For the Period<br>Ended 31-03-2020 | For the Period<br>Ended 31-03-2019 |
| <b>1) Contingent Liabilities :</b>   |                                    |                                    |
| a) Claims against the Company not acknowledged as debts  | 351249                             | 351249                             |
| b) Guarantees  | 131000                             | 1,31,000                           |
| 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. |                                    |                                    |
| <b>Total</b>   | <b>4,82,249</b>                    | <b>4,82,249</b>                    |

## NOTICE

**NOTICE** is hereby given that the **13th Annual General Meeting** of the Members of **Hariom Pipe Industries Limited** (Formerly Hari Om Concast and Steels Private Limited) will be held on Wednesday, the 30th day of December, 2020, 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, 2020 along with the Report of the Directors and the Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended 31 March, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- 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, 2021  
To consider & if thought fit, to pass, with or without modification (s), the following Resolution as a **‘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 2020-21 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, 2021, 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.”

- To approve the appointment and remuneration of **Mr. Rupesh Kumar Gupta (DIN: 00540787) as Managing Director of the Company:**

To consider & if thought fit, to pass, with or without modification (s), the following Resolution as a **‘Special Resolution’**:

**“RESOLVED THAT** pursuant to the provisions of section 196, 197 & 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactments thereof, consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Rupesh Kumar Gupta (DIN: 00540787), as Managing Director for a period of 3(Three) years, with effect from 08th day of January, 2021, at consolidated remuneration of ₹1,80,00,000/- (₹ One Crore Eighty Lakhs Only) per annum, inclusive of any remuneration directly or otherwise or by way of salary and allowances, performance based rewards/ incentives, on the terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as explained in the explanatory statement annexed to the notice of the meeting in terms of Section 102 of the Act, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Rupesh Kumar Gupta.”

**RESOLVED FURTHER THAT** even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Act and such other approvals as may be required, Mr. Rupesh Kumar Gupta, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and / or Central Government, if required.

**RESOLVED FURTHER THAT** any of the Directors from the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

- To approve appointment and remuneration of **Mr. Sailesh Gupta (DIN: 00540862) as Whole Time Director of the Company:**

To consider & if thought fit, to pass, with or without modification(s), the following Resolution as a **‘Special Resolution’**:

**“RESOLVED THAT** pursuant to the provisions of section 196, 197 & 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactments thereof, consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Sailesh Gupta (DIN: 00540862), as Whole Time Director for a period of 3 (Three) years, with effect from 08th day of January, 2021 at consolidated remuneration of ₹1,44,00,000/- (Rupees One Crore Forty Four Lakhs only) per annum inclusive of any remuneration directly or otherwise or by way of salary and allowances, performance based rewards/ incentives, on the terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as explained in the explanatory statement annexed to the notice of the meeting in terms of Section 102 of the Act, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sailesh Gupta.

**RESOLVED FURTHER THAT** even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Act and such other approvals as may be required, Mr. Sailesh Gupta, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and / or Central Government, if required.

**“RESOLVED FURTHER THAT** any of the Directors from the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution.”

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: 14.12.2020

### 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 Company's Registrars & Transfer Agents for its share registry is Bigshare Services Private Limited (“Bigshare”) having its office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059.

**Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")****Item No. 3:****To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2021**

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Seshadri & Associates., Cost Accountants (Regn. No 101476), Hyderabad to conduct the Audit of the Cost records of the Company at a remuneration of ₹55,000/- (Fifty Five Thousand Only) for the Financial year ending 31 March, 2021.

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, 2021 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.

**Item No. 4 & 5:****To approve reappointment and remuneration of Mr. Rupesh Kumar Gupta (DIN: 00540787) as Managing Director and Mr. Sailesh Gupta (DIN: 00540862) as Whole Time Director of the Company.**

The term of Mr. Rupesh Kumar Gupta as Managing Director and Mr. Sailesh Gupta as Whole time Director of the Company expires on 08 of January 2021, the board directors of the Company have decided to reappoint them for a further period of 3 years from 08 January, 2021 as Key Managerial personnel on the Board of the Company.

**A) Appointment of Mr. Rupesh Kumar Gupta as Managing Director**

Pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made there under, the board of Director of the Company at their meeting held on 14.12.2020 has appointed Mr. Rupesh Kumar Gupta as Managing Director of the Company

for a period of 3 (Three) years with effect from 08 January, 2021, subject to the approval of the members.

In terms of the provisions of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, being inadequate profit making Company, it shall obtain approval of the members by passing special resolution, if the remuneration paid to its Whole Time Director/ Executive Director exceeds the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Companies Act, 2013.

The remuneration payable to the abovementioned Director is given below:

**Remuneration:****i) Basic Salary:**

Current Basic Salary of ₹1,80,00,000/- (Rupees One Crore Eighty Lakhs) per annum;

**ii) Benefits, Allowances and Perquisites: NIL****B) Appointment of Mr. Sailesh Gupta as Whole Time Director**

Pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made there under, the board of Director of the Company at their meeting held on 14.12.2020 has appointed Mr. Sailesh Gupta as Whole Time Director of the Company for a period of 3 (Three) years with effect from 08.01.2021, subject to the approval of the members.

In terms of the provisions of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, being inadequate profit making Company, it shall obtain approval of the members by passing special resolution, if the remuneration paid to its Whole Time Director/ Executive Director exceeds the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Companies Act, 2013.

The remuneration payable to the abovementioned Director is given below:

**Remuneration:****i) Basic Salary:**

Current Basic Salary of ₹1,44,00,000/- (Rupees One Crore Forty Four Lakhs) per annum;

**ii) Benefits, Allowances and Perquisites: NIL****THE FOLLOWING ADDITIONAL DETAILED INFORMATION AS PER SECTION – II OF SCHEDULE V IS AS FOLLOWS:****I. General Information:**

|   |   |                |                |                |
|---|---|----------------|----------------|----------------|
| a) Nature of industry   | Manufacturing and Trading                 |                |                |                |
| b) Date or expected date of commencement of commercial production.  | Since incorporation                       |                |                |                |
| c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable                            |                |                |                |
| d) Financial performance based on given indicators.   | <b>Particulars</b>                        | <b>2019-20</b> | <b>2018-19</b> | <b>2017-18</b> |
|   | Revenue                                   | 1,61,18,69,547 | 1,33,91,55,791 | 69,67,68,508   |
|   | Profit before Tax                         | 11,79,56,267   | 11,83,38,453   | 10,05,56,718   |
|   | Provision for Taxation                    | 2,06,09,319    | 2,55,00,517    | 3,43,18,911    |
|   | Profit/(Loss) after tax                   | 8,36,48,183    | 8,21,62,079    | 6,48,15,187    |
| e) Foreign investments or collaborators, if any   | No Foreign Investments or Collaborations. |                |                |                |

**II. Information about the appointees:**

|                       |   |   |                |             |
|-----------------------|---|---|----------------|-------------|
| a) Background details | Mr. Rupesh Kumar Gupta, aged about 44 years, is the founder and promoter of the Company. He is also the Managing Director of the Company from past 3 years. | Mr. Sailesh Gupta, aged about 44 years, is a B. Com Graduate with the experience of more than 10 years in Marketing. He is Co-Founder of the Company. |                |             |
| b) Past remuneration  | The remuneration drawn by Mr. Rupesh Kumar Gupta during the past Two Years is as follows:   | The remuneration drawn by Mr. Sailesh Gupta during the past Two Years is as follows:  |                |             |
|                       | Financial Year  | Amount (₹)  | Financial Year | Amount (₹)  |
|                       | 2019-20   | 1,80,00,000   | 2019-20        | 1,44,00,000 |
|                       | 2018-19   | 60,00,000   | 2018-19        | 60,00,000   |

|                          |     |     |
|--------------------------|-----|-----|
| c) Recognition or awards | Nil | Nil |
|--------------------------|-----|-----|

|                                    |   |   |
|------------------------------------|---|---|
| d) Job profile and his suitability | Mr. Rupesh Kumar Gupta, has been serving the Company since inception in the capacity of a Director/Managing Director. Over the period of time Company has grown up manifold on various parameters. This growth to the large extent is attributable to the hard work and decision of the director. In view of their Vital position, the board proposes to reappoint Mr. Rupesh Kumar Gupta, as Managing Director of the Company. | Mr. Sailesh Gupta has been serving the Company over a long period of time. The director has contributed a lot for the continuous growth of the Company. In view of their Vital position, the board proposes to appoint Mr. Sailesh Gupta as whole time Director of the Company. |
|------------------------------------|---|---|

|                          |                                 |                                 |
|--------------------------|---------------------------------|---------------------------------|
| a) Remuneration proposed | As mentioned in the resolution. | As mentioned in the resolution. |
|--------------------------|---------------------------------|---------------------------------|

|   |   |  |
|---|---|--|
| f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | In the past few years, the remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to be paid to the Managing Director/ Whole time Director is purely based on merit. Further, the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile before approving the remuneration as proposed hereinabove. |  |
|---|---|--|

|  |                |                |
|--|----------------|----------------|
| g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Not Applicable | Not Applicable |
|--|----------------|----------------|

**III. Other information:**

|  |   |
|--|---|
| a) Reasons of loss or inadequate profits | Since the Company has started its operations during the year 2007, Company has completed 13 years of its operations; The profits of the Company are inadequate, though the profits have increased from the previous financial year. |
|--|---|

|  |  |
|--|--|
| b) Steps taken or proposed to be taken for improvement | The Company has initiated certain steps to improve the quality of their products and have also added new products in its offering also initiated new marketing strategies of their products. |
|--|--|

|  |  |
|--|--|
| c) Expected increase in productivity and profits in measurable terms | Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improving margins in next year. |
|--|--|

**IV. Disclosures:**

1. The remuneration package of all the managerial persons are given in the respective resolutions.

The appointment of Mr. Rupesh Kumar Gupta & Mr. Sailesh Gupta is appropriate and in the best interest of the Company. Thus, the Board of Directors recommends the resolution set out at Item No. 4 & 5 of the notice for your approval, by passing Special Resolution.

Mr. Rupesh Kumar Gupta & Mr. Sailesh Gupta and their relatives may be deemed to be interested in the respective resolutions proposing the appointments set out at Item No. 4 and 5 in the Notice.

Save and except the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 4 and 5 in the Notice.

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: 14.12.2020

#### Annexure to the Notice dated 14 December, 2020

#### Details of Directors Retiring by Rotation/ Seeking Appointment at the 13th Annual General Meeting of Members of the Company

| INFORMATION PURSUANT TO 1.2.5 OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS- 2) REGARDING DIRECTOR SEEKING APPOINTMENT: |   |  |  |
|---|---|--|--|
| Name of the Director  | Smt Sunita Gupta  | Rupesh Kumar Gupta   | Sailesh Gupta  |
| Age   | 64 years  | 44 years   | 39 years   |
| Qualifications  | Undergraduate   | Undergraduate  | Commerce graduate  |
| Experience  | Director of the Company since 01.10.2014  | Promoter and Director of the Company since Incorporation   | Working as Director in the Company for more than 10 years  |
| Terms and conditions of appointment or reappointment  | i) Non-executive Director of the Company, liable to retire by rotation.   | i) Tenure of this appointment shall be three years with effect from 08th January 2021<br>ii) The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act.<br>iii) The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made there under.<br>iv) The separation from this engagement could be effected by either side giving One months' notice. | i) Tenure of this appointment shall be three years with effect from 08th January, 2021.<br>ii) The Whole Time Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act.<br>iii) The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made there under.<br>iv) The separation from this engagement could be effected by either side giving One months' notice. |
| Last drawn remuneration   | Nil   | ₹15,00,000/- p.m.  | ₹12,00,000/- p.m.  |
| Date of first appointment on the Board  | Appointed as Director on 01.10.2014.<br>Changed designation as Non Executive Director w.e.f 06.10.2017  | Appointed as First Director of the Company from 21st day of June, 2007 (Since Incorporation of the Company)  | Appointed as Additional Director of the Company on 09th day of January, 2010.  |
| No. of share held   | 8,11,832 (Eight Lakhs Eleven Thousand Eight Hundred and Thirty Two) Equity Shares of ₹10/- (Rupees Ten Only) each.<br>8,00,000 (Eight Lakhs) 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each<br>10,50,000 (Ten Lakh Fifty Thousand) 3% Series A Redeemable, Non Cumulative Preference Shares (3% RNCPS) of ₹10/- (Rupees Ten Only) each | 36,38,292 (Thirty Six Lakhs Thirty Eight Thousand, Two Hundred and Ninety Two) Equity Shares of ₹10/- (Rupees Ten Only) each.<br>20,00,000 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each   | 20,24,000 (Twenty Lakhs Twenty Four Thousand) Equity Shares.<br>3,66,200 0% Series A Redeemable Non-Cumulative Preference Shares. of ₹10/- (Rupees Ten Only) each<br>17,00,000 0% Series B Compulsorily Convertible Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each   |
| Relationship with Directors, Managers & KMP   | Mother of Rupesh Kumar Gupta, managing Director and Sailesh Gupta, Whole time Director.<br>Mr. Rakesh Kumar Gupta (Adviser to Strategy and Finance) is Husband  | Mrs. Sunitha Gupta (Non Executive Director) is mother.<br>Mr. Sailesh Gupta (Whole Time Director) is Brother.<br>Mr. Rakesh Kumar Gupta (Adviser to Strategy and Finance) is Father.   | Mrs. Sunitha Gupta (Non Executive Director) is mother.<br>Mr. Rupesh Kumar Gupta (Managing Director) is Brother.<br>Mr. Rakesh Kumar Gupta (Adviser to Strategy and Finance) is Father.  |
| Number of Board Meeting attended during FY 2020   | 11  | 11   | 11   |
| Other Directorship  | - Ansh Commerce Private Limited   | - Reo Solutions Private Limited  | NIL  |
| Chairman/ Member of the Committees of Boards of other companies.  | N.A.  | N.A.   | N.A.   |





**HARIOM PIPE INDUSTRIES LIMITED**  
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